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BUDGET ESTIMATES
FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1969



A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT
1969



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A Separate from the Budget of the United States Government
1969



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BUDGET PROGRAM REDUCTIONS AND REFORMS

In this budget I am recommending two kinds of measures to reduce Federal outlays.

First, I am proposing certain reductions which primarily reflect the stringent nature of the 1969 budget. I am, for example, recommending a temporary reduction in certain construction programs, not because they have outlived their usefulness, but because a deferral of this construction is appropriate in a period when we must relieve inflationary pressures by reducing the deficit.

These reductions reflect a cut in existing program levels in terms of obligations, commitments, or contracts, which can be accomplished without substantially altering the character of the affected program. Such reductions are estimated to bring 1969 programs some \$1.6 billion below 1968 appropriated levels.

Second, I am recommending long-run reforms and modifications to eliminate certain programs or make them more effective. As the economic and social profile of the Nation changes, Federal programs must also change—or run the risk of being inappropriate, ineffective, and irrelevant.

Under the reform proposals, the program level of older outmoded activities would be reduced, or, in certain cases, charges for benefits would be imposed or substantially increased. These proposed reforms are estimated to reduce the 1969 budgetary burden for these programs

by \$1.2 billion below the prior year's levels. The corresponding amount for 1970 is estimated at \$1.4 billion.

Change will not be easy. Many revisions will require legislation, for which I seek congressional support and approval. Many of these programs have lived long lives and recipients have become accustomed to enjoying their benefits. Nevertheless, today's priorities demand change—no matter how difficult it may be.

The expenditure savings from these reductions and reforms will not all occur in 1969, but will be spread over several years. These proposals, shown in the accompanying table, will touch nearly every major agency in the Federal Government.

BUDGET PROGRAM REDUCTIONS AND REFORMS

[Fiscal years. In millions]

Agency and program	Cuts below 1968 program level, as funded
	1969
BUDGET REDUCTIONS	
Agriculture:	
Farm operating loans.....	—\$50
Rural electrification loans.....	—45
Forest roads and trails.....	—29
Sewer and water loans.....	—22
Water and sewer grants.....	—3
Watershed protection program.....	—17
Flood prevention program.....	—11
Agricultural research.....	—15
Forest protection and utilization.....	—2
Great plains conservation program.....	—2
Other.....	—1
Subtotal, Agriculture.....	—197
Commerce:	
Ship construction.....	—156
Research—Maritime Administration.....	—7
Subtotal, Commerce.....	—163
Health, Education, and Welfare:	
College facility grants.....	—224
Books, equipment, guidance, and testing grants.....	—120
Health research facilities construction.....	—29
School aid to federally impacted areas.....	—17
Medical library construction grants.....	—10
Subtotal, Health, Education, and Welfare.....	—400

BUDGET PROGRAM REDUCTIONS AND REFORMS—Continued

[Fiscal years. In millions]

Agency and program	Cuts below 1968 program level, as funded
	1969
BUDGET REDUCTIONS—Continued	
Housing and Urban Development:	
Grants for basic water and sewer facilities.....	—\$25
Public facility loans.....	—10
Special assistance for market rate mortgages—Federal National Mortgage Association.....	—27
Subtotal, Housing and Urban Development.....	—62
Interior:	
Reclamation program.....	—27
Indian construction programs.....	—22
Road programs.....	—6
Sport fisheries construction.....	—5
Commercial fisheries construction.....	—1
Subtotal, Interior.....	—61
Justice: Elimination of new prison construction.....	—1
State: Educational exchange.....	—1
Atomic Energy Commission:	
Production of special nuclear materials.....	—12
Nuclear rocket program.....	—10
Space electric power.....	—8
Civilian application of nuclear explosives (Plowshare).....	—6
Subtotal, Atomic Energy Commission.....	—36
General Services Administration: Construction.....	—143
National Aeronautics and Space Administration: Manned and unmanned exploration and other programs.....	—447
National Science Foundation: Institutional science programs.....	—31
Small Business Administration:	
Business loans.....	—40
Economic opportunity loans.....	—25
Investment company loans.....	—25
Subtotal, Small Business Administration.....	—90
Total, budget reductions.....	—1,632

BUDGET PROGRAM REDUCTIONS AND REFORMS—Continued

(Fiscal years. In millions)

	1969	1970
PROGRAM REFORMS		
Agriculture:		
Agricultural conservation program—limit to practices with long-term benefits.....	—\$120	—\$120
Health, Education, and Welfare: School aid to federally impacted areas—tie payments more closely to Federal burden.....		—100
Housing and Urban Development: Private housing—place greater reliance on the private market (requiring change in statutory interest rate ceilings).....	—669	—669
Labor: Institute user charges to recover expenses under Longshoremen and Harbor Workers Compensation Act.....	—3	—3
Transportation:		
Airway services—increase taxes on users.....	—40	—55
Waterways—impose tax on users.....	—7	—14
Highway trucking—increase tax on diesel fuels and apply graduated use tax by weight.....	—239	—250
Subtotal, Transportation.....	—286	—319
Veterans Administration:		
Compensation—eliminate statutory payments for cases of arrested tuberculosis.....	—54	—54
Burial benefits—eliminate duplication with social security.....	—46	—46
Pensions—count railroad retirement benefits as part of income in setting amount of veterans pension.....	—7	—7
Subtotal, Veterans Administration.....	—107	—107
Small Business Administration: Disaster loans—employ more equitable and rigorous criteria.....	—50	—50
Water Resources Projects of several agencies—raise the interest rate used for evaluating projects.....	(¹)	(¹)
Total, program reforms.....	—1,235	—1,368
Grand total, budget program reductions and reforms, 1969.....	—2,867	

¹ While no immediate savings are realized, the long-term effect could be substantial.

There have been suggestions for a long-range study of Federal programs, evaluating their effectiveness and proposing reforms. Clearly, more study of potential program reforms is needed. My proposals this year represent a first step on which we can and should act now.

Throughout the years, it has been easier to discuss the need to restructure older Government programs, than actually to change them. I urge the Congress to take prompt and favorable action in support of these proposals to cull out lower priority programs.

EXPLANATION OF PRINCIPLES USED IN COMPILING TABLES

This statement focuses attention on the more significant aspects of the summary tables, highlighting the changes from previous budgets. An explanation of the funding system of the Government (types of funds, types of budget authority, balances of budget authority, and kinds of action requested of Congress) is contained at the beginning of part 5 (pp. 191 to 195). A comparison of certain totals in part 2 with the totals under two older measures—the administrative and consolidated cash budgets—is contained in special analysis A (pp. 464 to 472). A comparison with the Federal sector of the national income accounts appears in special analysis B (pp. 473 to 482).

Coverage of the budget.—The budget covers *all Federal* agencies and programs no matter how funded. It covers both Federal funds and trust funds. Mixed-ownership (Government-private) and non-stock Government corporations are included as trust revolving funds. Two groups of privately owned corporations—the Federal land banks and Federal home loan banks—are excluded from the totals, as is the Federal Reserve System, but are presented as annexed budgets. The municipal government of the District of Columbia is excluded. Moneys held in suspense as deposit funds are also excluded.

In many tables the budget outlays are divided between an *expenditure account* and a *loan account*. Budget authority is also broken between the expenditure account and the loan account in many tables. The portion which permits obligations for expenditure is called *new obligational authority*. The portion which permits obligations in the loan account is called *loan authority*.

Contents of the loan account.—Transactions in the loan account are limited to those affecting the principal amount of loans outstanding and, in a few cases, the unamortized premium or discount where the loan is in the form of a mortgage purchase. Administrative and operating expenses, interest, writeoffs of loans, and other costs and revenues are counted in the expenditure account. Therefore, loan *disbursements* equal checks issued to make loans less writeoffs and losses, and plus recoveries of loans outstanding. Loan *repayments* equal collections on the principal of loans.

The loan account *excludes* (and the expenditure account includes) lending programs which lack certain characteristics of a normal loan program (for example, nonrecourse loans of the Commodity Credit Corporation, and loans where repayment is contingent upon some future happening, such as the discovery of minerals) and foreign loans not on commercial terms.

Consolidation of funds.—Certain payments between funds are accounted for as expenditures of one fund and as receipts of another in financial statements that relate to the individual funds. When all funds are consolidated into a single schedule as in the budget, the duplication involved in the interfund and intragovernmental transactions must be eliminated. This is generally done by deducting the amounts involved from both the outlays and the budget authority for the agency receiving the payment. However, in a few cases where the payment is in the nature of a transfer of receipts, the deduction is made instead from the agency making payment.

In two situations the interfund and intragovernmental transactions are not deducted from the figures of any agency or function, but appear as special deduct lines in computing total outlays and budget authority. One of these constitutes the Government's payments as employer into trust funds for retirement of its employees. The other consists of the interest receipts of the trust funds. In the latter case, the deduct line on most summary tables includes both the intragovernmental interest receipts and a smaller amount of interest receipts from the public, which are offset because they are proprietary receipts as described in paragraphs below.

Basis for figures.—Receipts and repayments reflect collections. Outlays are stated in terms of checks issued. Where cash is paid in lieu of checks, such payments are counted. The accrual basis is generally used for interest on the public debt; in the case of bonds and notes where interest expense of the Government is reflected in periodic changes in redemption value, the interest expenditure is counted when the redemption value changes.

Offsetting of receipts against expenditures.—All expenditure figures used in the budget are net of the following types of receipts:

- Refunds of previous erroneous expenditures, to the extent that statutes permit the money to be used again without further congressional action.
- Collections of revolving funds, management funds, and trust revolving funds.
- Reimbursements to appropriations where the law permits such reimbursements to be merged with appropriations.

Other receipts from the public (apart from loan repayments, discussed above) fall into two classes, treated as follows:

- Those that are collected because of the sovereign or other compulsory powers of the Government are reported as budget receipts. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts.
- Receipts which arise out of the proprietary activities of the Government—that is, interest, sale of property and products, charges for nonregulatory services, rents and royalties, etc.—are not counted as budget receipts, but are offset against expenditures in total for each agency and for each function. They are offset against new obligational authority in similar amounts. These offsets are shown separately from the individual entries in detailed tables such as those in parts 4 and 5; the offsets have already occurred, line by line, in the summary tables of part 2 (except for tables 5 and 6).

Transactions not counted as receipts or expenditures.—The proceeds from borrowing are not receipts. Repayments of borrowings are not expenditures. These rules are applied whether the borrowing is by the Treasury in the form of public debt, or by individual agencies in the form of agency debt. The sale of certificates representing participation in the ownership of a pool of loans is considered to be borrowing.

Debt instruments issued in lieu of checks, in payment of subscriptions to international lending organizations, are not considered borrowing or an expenditure, but remain a part of the obligated balances until they are cashed, at which time they become an expenditure. These differ only in form, and not in substance, from letters of credit and open-book balances for unpaid obligations.

The Government's deposits with the International Monetary Fund (IMF) are considered similar to cash assets. Therefore the movement of money between the IMF and the Treasury is not in itself considered a receipt or expenditure, borrowing or lending.

Table 1. BUDGET SUMMARY (in billions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Budget authority:			
Requiring current action by Congress:			
Previously enacted.....	135.4	125.1	
Proposed in this budget.....		3.3	141.5
Becoming available without current action by Congress.....	58.7	69.9	73.1
Deductions for interfund and intragovernmental transactions and applicable receipts.....	-11.5	-11.8	-12.9
Total, budget authority.....	182.6	186.5	201.7
Receipts, expenditures, and net lending:			
Expenditure account:			
Receipts.....	149.6	155.8	178.1
Expenditures (excludes net lending).....	153.2	169.9	182.8
Expenditure deficit (-).....	-3.6	-14.0	-4.7
Loan account:			
Loan disbursements.....	17.8	20.9	20.4
Loan repayments.....	12.6	15.1	17.1
Net lending.....	5.2	5.8	3.3
Total budget:			
Receipts.....	149.6	155.8	178.1
Expenditures and net lending.....	158.4	175.6	186.1
Budget deficit (-).....	-8.8	-19.8	-8.0
Budget financing:			
Borrowing from the public.....	3.6	20.8	8.0
Reduction of cash balances, etc.....	5.3	-1.0	*
Total, budget financing.....	8.8	19.8	8.0
	1966 actual		
Outstanding debt, end of year:			
Gross amount outstanding.....	329.5	341.3	370.0
Held by the public.....	265.6	269.2	290.0
MEMORANDUM—OUTSTANDING LOANS, END OF YEAR			
Direct loans (in loan account).....	34.0	39.8	43.1
Guaranteed and insured loans.....	99.5	107.1	117.1

*Less than \$50 million.

Table 2. BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY
(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Receipts by source:			
Individual income taxes	61,526	67,700	80,900
Corporation income taxes	33,971	31,300	34,300
Employment taxes	27,823	29,730	34,154
Unemployment insurance	3,652	3,660	3,594
Premiums for other insurance and retirement	1,853	2,049	2,275
Excise taxes	13,719	13,848	14,671
Estate and gift taxes	2,978	3,100	3,400
Customs	1,901	2,000	2,070
Other receipts	2,168	2,443	2,744
Total, receipts	149,591	155,830	178,108
Outlays by function:			
National defense	70,092	76,489	79,789
International affairs and finance	4,650	5,046	5,153
Space research and technology	5,423	4,803	4,573
Agriculture and agricultural resources	4,377	5,311	5,609
Natural resources	2,132	2,432	2,490
Commerce and transportation	7,446	7,853	8,121
Housing and community development	2,285	3,954	2,784
Health, labor and welfare	40,084	46,417	51,407
Education	4,047	4,541	4,699
Veterans benefits and services	6,898	7,168	7,342
Interest	12,548	13,535	14,400
General government	2,454	2,578	2,790
Allowances for:			
Civilian and military pay increase			1,600
Contingencies		100	350
Undistributed intragovernmental payments:			
Government contributions for employee retirement	-1,735	-1,913	-2,007
Interest received by trust funds	-2,287	-2,678	-3,042
Total, outlays	158,414	175,635	186,062
Budget deficit (-)	-8,823	-19,805	-7,954
Budget authority by function:			
National defense	75,276	75,780	82,317
International affairs and finance	5,115	5,267	5,308
Space research and technology	4,966	4,587	4,369
Agriculture and agricultural resources	5,723	5,833	6,356
Natural resources	3,279	2,502	2,275
Commerce and transportation	9,591	9,283	9,008
Housing and community development	6,924	3,964	4,968
Health, labor, and welfare	48,411	53,149	59,875
Education	5,331	6,675	5,272
Veterans benefits and services	6,959	7,860	7,817
Interest	12,548	13,535	14,400
General government	2,460	2,506	2,654
Allowances for:			
Civilian and military pay increase			1,600
Contingencies		150	550
Undistributed intragovernmental payments	-4,021	-4,590	-5,048
Total, budget authority	182,562	186,499	201,723

Table 3. BUDGET AUTHORITY AND OUTLAYS BY FUNCTION
(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Expenditure account:						
National defense.....	75,276	75,780	82,317	70,095	76,491	79,792
International affairs and finance.....	4,336	4,402	4,700	4,110	4,330	4,478
Space research and technology.....	4,966	4,587	4,369	5,423	4,803	4,573
Agriculture and agricultural resources.....	4,318	4,383	5,131	3,156	4,412	4,474
Natural resources.....	3,262	2,488	2,271	2,113	2,416	2,483
Commerce and transportation.....	8,653	9,066	8,776	7,308	7,695	7,996
Housing and community development.....	1,503	1,869	2,833	577	697	1,429
Health, labor and welfare.....	47,841	53,131	60,413	39,512	46,396	51,945
Education.....	4,430	4,673	4,585	3,602	4,157	4,364
Veterans benefits and services.....	6,369	7,305	7,515	6,366	6,798	7,131
Interest.....	12,548	13,535	14,400	12,548	13,535	14,400
General government.....	2,463	2,548	2,690	2,452	2,618	2,827
Allowances for:						
Civilian and military pay increase.....			1,600			1,600
Contingencies.....		150	550		100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement.....	-1,735	-1,913	-2,007	-1,735	-1,913	-2,007
Interest received by trust funds.....	-2,287	-2,678	-3,042	-2,287	-2,678	-3,042
Total, new obligational authority and expenditures.....	171,944	179,325	197,105	153,238	169,856	182,797
Loan account:						
National defense.....				-3	-2	-4
International affairs and finance.....	779	865	608	540	716	675
Agriculture and agricultural resources.....	1,405	1,450	1,225	1,221	899	1,135
Natural resources.....	17	14	4	19	16	7
Commerce and transportation.....	938	217	232	138	158	125
Housing and community development.....	5,421	2,095	2,135	1,708	3,257	1,355
Health, labor and welfare.....	570	18	-538	572	21	-538
Education.....	901	2,002	687	445	384	335
Veterans benefits and services.....	590	555	302	532	370	211
General government.....	-3	-42	-36	2	-40	-37
Total, loan authority and net lending.....	10,618	7,174	4,618	5,176	5,779	3,265
Total, budget authority and outlays.....	182,562	186,499	201,723	158,414	175,635	186,062

Table 4. BUDGET AUTHORITY AND OUTLAYS BY AGENCY

(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Expenditure account:						
Legislative Branch.....	261	272	295	240	274	285
The Judiciary.....	91	96	103	88	95	102
Executive Office of the President.....	29	31	33	28	32	33
Funds appropriated to the President.....	5,407	4,815	6,139	4,851	5,062	5,424
Department of Agriculture.....	6,707	6,834	6,846	5,292	6,556	6,790
Department of Commerce.....	970	894	945	717	737	795
Department of Defense—Military.....	72,287	72,755	79,116	67,466	73,694	76,658
Department of Defense—Civil.....	1,357	1,358	1,307	1,310	1,378	1,343
Department of Health, Education, and Welfare.....	41,133	45,568	51,468	34,866	40,787	45,889
Department of Housing and Urban Development.....	1,421	1,824	2,763	695	985	1,756
Department of the Interior.....	643	844	847	505	758	911
Department of Justice.....	406	462	542	409	444	555
Department of Labor.....	4,578	4,772	4,950	3,247	3,876	3,914
Post Office Department.....	1,215	1,174	920	1,141	1,087	767
Department of State.....	402	399	428	419	428	439
Department of Transportation.....	6,262	6,696	6,525	5,428	5,753	6,282
Treasury Department.....	13,084	14,456	15,410	13,098	14,461	15,425
Atomic Energy Commission.....	2,199	2,509	2,755	2,264	2,333	2,546
General Services Administration.....	116	362	371	134	435	534
National Aeronautics and Space Administration.....	4,966	4,587	4,369	5,423	4,803	4,573
Veterans Administration.....	6,339	7,273	7,488	6,357	6,768	7,113
Other independent agencies.....	6,094	5,782	6,384	3,283	3,598	3,763
Allowances for:						
Civilian and military pay increase.....			1,600			1,600
Contingencies.....		150	550		100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement.....	-1,735	-1,913	-2,007	-1,735	-1,913	-2,007
Interest received by trust funds.....	-2,287	-2,678	-3,042	-2,287	-2,678	-3,042
Total, new obligational authority and expenditures.....	171,944	179,325	197,105	153,238	169,856	182,797
Loan account:						
Funds appropriated to the President.....	22	14	4	21	14	*
Department of Agriculture.....	1,221	965	684	536	150	378
Department of Commerce.....	70	67	82	21	45	58
Department of Defense—Military.....				*	*	-1
Department of Defense—Civil.....				*	*	
Department of Health, Education, and Welfare.....	507	106	-98	287	72	-119

*Less than \$500 thousand.

Table 4. BUDGET AUTHORITY AND OUTLAYS BY AGENCY—Continued
(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
Loan account—Continued						
Department of Housing and Urban Development.....	5,947	3,879	2,579	2,098	3,565	1,460
Department of the Interior.....	13	19	10	24	21	12
Department of Labor.....	114	-----	-114	114	-----	-114
Treasury Department.....	*	*	*	*	*	*
General Services Administration.....	-3	-46	-41	-3	-46	-41
Veterans Administration.....	590	555	302	490	370	268
Other independent agencies.....	2,136	1,615	1,211	1,587	1,587	1,365
Total, loan authority and net lending.....	10,618	7,174	4,618	5,176	5,779	3,265
Total budget authority and outlays:						
Legislative Branch.....	261	272	295	240	274	285
The Judiciary.....	91	96	103	88	95	102
Executive Office of the President.....	29	31	33	28	32	33
Funds appropriated to the President.....	5,428	4,830	6,143	4,872	5,076	5,424
Department of Agriculture.....	7,928	7,800	7,530	5,828	6,705	7,167
Department of Commerce.....	1,041	961	1,027	738	782	853
Department of Defense—Military.....	72,287	72,755	79,116	67,465	73,695	76,657
Department of Defense—Civil.....	1,357	1,358	1,307	1,310	1,378	1,343
Department of Health, Education, and Welfare.....	41,640	45,673	51,370	35,153	40,859	45,769
Department of Housing and Urban Development.....	7,368	5,703	5,342	2,793	4,551	3,216
Department of the Interior.....	656	863	857	529	779	923
Department of Justice.....	406	462	542	409	444	555
Department of Labor.....	4,692	4,772	4,836	3,361	3,876	3,800
Post Office Department.....	1,215	1,174	920	1,141	1,087	767
Department of State.....	402	399	428	419	428	439
Department of Transportation.....	6,262	6,696	6,525	5,428	5,753	6,282
Treasury Department.....	13,083	14,456	15,410	13,098	14,461	15,425
Atomic Energy Commission.....	2,199	2,509	2,755	2,264	2,333	2,546
General Services Administration.....	113	316	330	131	389	493
National Aeronautics and Space Administration.....	4,966	4,587	4,369	5,423	4,803	4,573
Veterans Administration.....	6,929	7,828	7,790	6,846	7,139	7,382
Other independent agencies.....	8,231	7,397	7,595	4,870	5,185	5,127
Allowances for:						
Civilian and military pay increase.....	-----	-----	1,600	-----	-----	1,600
Contingencies.....	-----	150	550	-----	100	350
Undistributed intragovernmental payments:						
Government contributions for employee retirement.....	-1,735	-1,913	-2,007	-1,735	-1,913	-2,007
Interest received by trust funds.....	-2,287	-2,678	-3,042	-2,287	-2,678	-3,042
Total, budget authority and outlays.....	182,562	186,499	201,723	158,414	175,635	186,062

* Less than \$500 thousand.

Table 4. BUDGET AUTHORITY AND OUTLAYS BY AGENCY—Continued
(In millions of dollars)

Description	Budget authority			Outlays		
	1967 actual	1968 estimate	1969 estimate	1967 actual	1968 estimate	1969 estimate
MEMORANDUM						
Portion requiring current action by Congress.....	135,432	128,400	141,496			
Portion not requiring current action by Congress.....	58,667	69,944	73,085			
Deductions for:						
Interfund and intragovernmental transactions.....	-6,589	-7,415	-8,240			
Applicable receipts from the public.....	-4,948	-4,430	-4,618			
Total, budget authority.....	182,562	186,499	201,723			

1969 Budget - Relation of Authorizations to Outlays

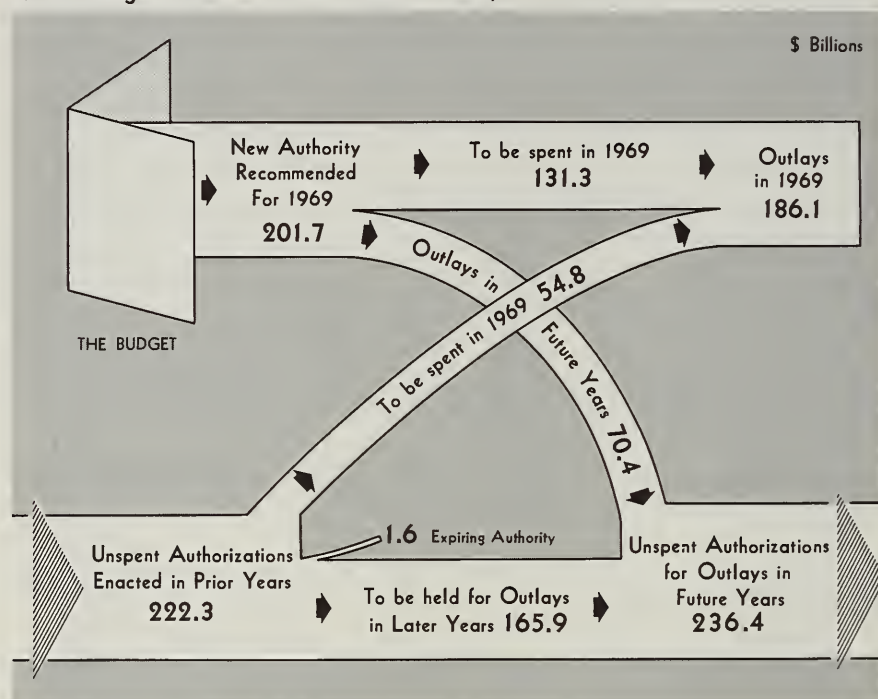


Table 5. BUDGET AUTHORITY REQUIRING CURRENT ACTION BY CONGRESS (in millions of dollars)

Description	1967 enacted	1968 estimate			1969 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
Legislative Branch.....	271	277	4	282	306	-----	306
The Judiciary.....	90	94	1	95	101	1	102
Executive Office of the President.....	29	31	*	31	33	-----	33
Funds appropriated to the President.....	5,112	4,718	10	4,728	5,763	566	6,329
Department of Agriculture.....	7,734	6,411	52	6,463	7,300	7	7,307
Department of Commerce.....	873	763	8	771	825	-----	825
Department of Defense—Military.....	71,943	72,112	800	72,912	79,182	75	79,257
Department of Defense—Civil.....	1,391	1,383	11	1,394	1,345	-----	1,345
Department of Health, Education, and Welfare.....	12,617	12,858	1,604	14,463	15,305	83	15,388
Department of Housing and Urban Development.....	6,402	3,330	25	3,356	3,387	40	3,427
Department of the Interior.....	1,586	1,592	29	1,621	1,724	-----	1,724
Department of Justice.....	408	417	47	465	465	80	545
Department of Labor.....	638	625	29	654	730	11	742
Post Office Department.....	1,215	962	212	1,174	920	-----	920
Department of State.....	395	389	1	390	418	-----	418
Department of Transportation.....	6,204	1,511	221	1,732	2,736	85	2,821
Treasury Department.....	931	921	13	934	1,016	-----	1,016
Atomic Energy Commission.....	2,199	2,509	-----	2,509	2,755	-----	2,755
General Services Administration.....	656	570	4	574	509	-----	509
National Aeronautics and Space Administration.....	4,968	4,589	-----	4,589	4,370	-----	4,370
Veterans Administration.....	6,598	7,499	76	7,575	7,528	9	7,537
Other independent agencies.....	3,174	1,510	28	1,538	1,642	30	1,672
Allowances for:							
Civilian and military pay increase.....	-----	-----	-----	-----	-----	1,600	1,600
Contingencies.....	-----	-----	150	150	-----	550	550
Total, budget authority requiring current action by Congress.....	135,432	125,073	3,327	128,400	138,359	3,136	141,496

*Less than \$500 thousand.

Table 6. RELATION OF BUDGET AUTHORITY TO OUTLAYS
(In millions of dollars)

	1967 actual	1968 estimate	1969 estimate
<i>Budget authority requiring current action by Congress:</i>			
Enacted or transmitted herein:			
Appropriations.....	¹ 122,542	¹ 120,922	¹ 133,960
Authorizations to spend debt receipts.....	7,742	3,801	2,552
Contract authorizations.....	5,110	320	1,848
Reappropriations and reauthorizations.....	38	30	-----
Transmitted separately:			
Appropriations.....	-----	¹ 3,141	3,051
Contract authorizations.....	-----	186	85
Total, budget authority requiring current action by Congress (table 5).....	135,432	128,400	141,496
<i>Budget authority becoming available without current action by Congress:</i>			
Appropriations.....	¹ 54,451	¹ 58,517	¹ 64,964
Authorizations to spend debt receipts.....	1,264	2,819	2,133
Contract authorizations.....	2,952	8,608	5,989
<i>Offsets in determining totals (table 12):</i>			
Interfund and intragovernmental transactions.....	-6,589	-7,415	-8,240
Applicable receipts from the public.....	-4,948	-4,430	-4,618
Total, budget authority for the year (tables 3 and 4).....	182,562	186,499	201,723
<i>Unobligated balances and adjustments:</i>			
Unobligated balances:			
Brought forward at start of year (table 8).....	121,228	134,490	140,063
Written off (rescinded, lapsed, etc.).....	² -1,169	-2,467	-1,550
Carried forward at end of year (table 8).....	-134,490	-140,063	-145,672
Application of new authority to prior obligations:			
Budget authority of year, obligated previously.....	-913	-957	-1,429
Budget authority of subsequent year, obligated currently.....	957	1,429	1,462
Obligations incurred, net (table 7).....	168,175	178,931	194,597
<i>Obligated balances:</i>			
Brought forward at start of year (table 8).....	69,387	79,023	82,238
Written off, less restorations, in expired accounts.....	³ -208	³ -87	-65
Deficiency appropriations.....	83	6	-----
Carried forward at end of year (table 8).....	-79,023	-82,238	-90,708
Outlays (expenditures and net lending).....	158,414	175,635	186,062
MEMORANDUM			
Outlays out of current authority.....	158,414	118,883	131,282
Outlays out of prior authority.....		56,752	54,780
Total, outlays.....	158,414	175,635	186,062

¹ Excludes appropriations to liquidate contract authorizations: Transmitted separately: 1968, \$407 million. All other: 1967, \$7,302 million; 1968, \$6,556 million; 1969, \$7,962 million.

² Includes adjustment of -\$6 million for deficiencies in annual accounts.

³ Includes adjustment of -\$22 million in 1967 and -\$6 million in 1968 for deficiencies in expired accounts.

Table 7. OBLIGATIONS INCURRED, NET (in millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
Legislative Branch.....	235	265	292
The Judiciary.....	89	95	102
Executive Office of the President.....	28	31	33
Funds appropriated to the President.....	3,962	3,737	4,775
Department of Agriculture.....	5,921	7,138	7,413
Department of Commerce.....	905	895	885
Department of Defense—Military.....	72,662	74,322	79,346
Department of Defense—Civil.....	1,250	1,376	1,412
Department of Health, Education, and Welfare.....	36,599	42,289	47,342
Department of Housing and Urban Development.....	3,049	2,133	3,153
Department of the Interior.....	508	803	895
Department of Justice.....	400	463	548
Department of Labor.....	3,484	3,812	3,783
Post Office Department.....	1,171	1,174	920
Department of State.....	393	403	429
Department of Transportation.....	5,368	5,930	6,970
Treasury Department.....	13,068	14,429	15,341
Atomic Energy Commission.....	2,272	2,559	3,024
General Services Administration.....	24	289	396
National Aeronautics and Space Administration.....	4,984	4,857	4,367
Veterans Administration.....	7,085	7,183	7,458
Other independent agencies.....	8,741	9,189	8,611
Allowances for:			
Civilian and military pay increase.....			1,600
Contingencies.....		150	550
Undistributed adjustments to amounts above:			
Government contributions, as employer, for retirement.....	-1,735	-1,913	-2,007
Interest received by trust funds.....	-2,287	-2,678	-3,042
Total, obligations incurred, net.....	168,175	178,931	194,597

Table 8. BALANCES OF BUDGET AUTHORITY (in millions of dollars)

Description	Start 1967		Start 1968— end 1967		Start 1969— end 1968		End 1969	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative Branch.....	31	31	25	43	18	40	27	32
The Judiciary.....	7	-----	8	-----	9	-----	9	-----
Executive Office of the President.....	5	*	5	*	4	*	4	*
Funds appropriated to the President.....	7,840	7,510	7,992	7,450	7,422	7,037	8,105	7,054
Department of Agriculture.....	5,405	912	5,538	2,596	6,025	2,700	6,322	2,348
Department of Commerce.....	952	260	1,136	369	1,146	176	1,270	180
Department of Defense—Military.....	26,891	15,781	32,072	15,097	32,889	12,664	35,585	12,310
Department of Defense—Civil.....	319	169	290	236	325	178	427	45
Department of Health, Education, and Welfare.....	4,983	23,055	6,402	28,027	7,751	31,688	9,294	35,750
Department of Housing and Urban Development.....	5,260	9,911	6,331	10,347	5,861	13,678	6,402	15,277
Department of the Interior.....	667	410	834	440	1,013	374	1,141	238
Department of Justice.....	37	38	32	37	56	31	102	21
Department of Labor.....	384	9,572	495	10,782	432	11,741	415	12,794
Post Office Department.....	547	*	580	*	667	-----	820	-----
Department of State.....	102	37	82	33	70	15	72	2
Department of Transportation.....	7,337	2,539	7,271	3,408	7,412	4,108	8,101	3,663
Treasury Department.....	94	30	100	11	505	3	459	1
Atomic Energy Commission.....	1,128	394	1,138	319	1,364	270	1,842	-----
General Services Administration.....	383	277	279	352	179	372	83	306
National Aeronautics and Space Administration.....	2,261	332	1,820	312	1,877	39	1,672	39
Veterans Administration.....	812	8,373	1,047	8,126	1,091	8,485	1,140	8,714
Other independent agencies.....	3,946	41,599	5,545	46,505	6,074	46,462	7,166	46,899
Allowances for: Contingencies.....	-----	-----	-----	-----	50	-----	250	-----
Total, balances carried forward.....	69,387	121,228	79,023	134,490	82,238	140,063	90,708	145,672

* Less than \$500 thousand.

Table 9. MEANS OF FINANCING AND OUTSTANDING DEBT
(In millions of dollars)

Description	1967 actual	1968 estimate	1969 estimate
BUDGET FINANCING			
Borrowing from the public:			
Nonbank investors.....	-1,403		
Commercial banks.....	405		
Federal Reserve banks.....	4,549		
Total, borrowing from the public.....	3,551	20,840	8,000
Other means of financing the budget deficit:			
Seigniorage on coins.....	813	410	226
Decrease or increase (—) in available cash and monetary assets.....	4,858	-1,018	173
Increase or decrease (—) in liabilities for:			
Checks outstanding (net of items in transit).....	657		
Deposit fund balances.....	-1,056	-428	-445
Total, other means of financing.....	5,272	-1,035	-46
Total, budget financing.....	8,823	19,805	7,954

	1966 actual	1967 actual	1968 estimate	1969 estimate
OUTSTANDING DEBT AT END OF YEAR				
Gross Federal debt:				
Public debt (issued by Treasury).....	316,098	322,893	344,094	356,671
Agency debt (issued by agencies).....	13,375	18,451	25,899	30,495
Total, gross Federal debt.....	329,473	341,343	369,993	387,167
Holdings by federally administered funds:				
Public debt.....	63,697	70,537	77,191	85,573
Agency debt.....	167	1,647	2,802	3,594
Total, holdings by federally administered funds.....	63,864	72,184	79,993	89,167
Net, Federal securities held by the public.....	265,609	269,160	290,000	298,000

COMPARISON OF DEBT WITH PUBLIC DEBT LIMITATION AT END OF YEAR				
Public debt.....	316,098	322,893	344,094	356,671
Portion of:				
Public debt issued to International Monetary Fund and international lending organizations.....	3,810	3,328	2,937	2,237
Agency debt subject to limitation on public debt.....	462	512	4,568	4,632
Public debt not subject to limitation (—).....	266	262	255	250
Total, debt subject to public debt limitation, end of year ¹.....	320,102	326,471	351,344	363,290

¹ The applicable public debt limitations are: \$328 billion from July 1, 1965; \$330 billion from July 1, 1966; \$336 billion from Mar. 2, 1967; and \$358 billion from July 1, 1968. The last limitation also covers certificates of participation issued in 1968; in addition, a temporary increase of \$7 billion is provided from July 1, 1968, to June 29, 1969, and each year thereafter.

Table 10. EMPLOYMENT (FULL-TIME PERMANENT) IN THE EXECUTIVE BRANCH

Description	As of June		
	1967 actual	1968 estimate	1969 estimate
Defense and Post Office:			
Department of Defense, Military and Military Assistance ¹	1,193,657	1,220,500	¹ 1,223,500
Post Office Department.....	528,254	550,600	568,400
Subtotal.....	1,721,911	1,771,100	1,791,900
Civilian agencies other than Post Office:			
Department of Agriculture.....	85,723	85,800	86,300
Department of Commerce.....	25,900	26,200	27,000
Department of Defense, Civil ²	31,980	32,200	32,600
Department of Health, Education, and Welfare.....	97,792	105,400	108,800
Department of Housing and Urban Development.....	14,250	14,800	16,200
Department of the Interior.....	60,606	61,100	63,500
Department of Justice.....	33,176	33,650	34,200
Department of Labor.....	9,461	9,700	10,700
Department of State.....	26,849	26,900	27,000
Agency for International Development.....	16,713	17,600	18,100
Peace Corps.....	1,240	1,400	1,600
Department of Transportation.....	55,187	57,700	59,600
Treasury Department.....	81,591	82,000	85,500
Atomic Energy Commission.....	7,013	7,150	7,300
General Services Administration.....	37,117	38,300	39,700
National Aeronautics and Space Administration.....	33,726	32,400	32,600
Veterans Administration.....	150,225	152,100	154,000
Other agencies:			
Selective Service System.....	7,085	7,200	6,900
Small Business Administration.....	4,142	4,300	4,700
Tennessee Valley Authority.....	11,903	12,350	12,700
The Panama Canal.....	14,571	14,950	15,000
United States Information Agency.....	11,686	11,650	11,700
Miscellaneous agencies.....	32,204	33,550	35,100
Subtotal.....	850,140	868,400	890,800
Allowance for contingencies ³		2,400	4,800
Total.....	2,572,051	2,641,900	2,687,500

Note.—The figures for 1968 and 1969 include tentative estimates for employment under appropriations proposed for later transmittal. More detailed information on employment is contained in Special Analysis F on pages 529 to 535.

¹ In addition, there are approximately 42,000 civilian technicians, employed by the various States and the Commonwealth of Puerto Rico, performing operation and maintenance support services for the Army and Air Force National Guard. Legislation is being proposed to convert these technicians to direct Federal employee status in fiscal year 1969. Salaries of these technicians have been and will continue to be paid by the Federal Government.

² Employment of the United States Soldiers' Home is included under "Other agencies" and excludes member-employees.

³ Subject to later distribution.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (-)	Explanation
DEPARTMENT OF AGRICULTURE					
<i>Federal Funds</i>					
AGRICULTURAL RESEARCH SERVICE					
General and special funds:					
Salaries and expenses.....355 NOA	208,693	222,819 A-31 D-3,420	224,921 B-1,536	2,017	Increases for staffing new research laboratories, research on cotton, pest control activities, salary costs, and plans, construction, and improvement of facilities are partially offset by phasing out certain other research activities and decreases in the imported fire ant and hog cholera programs, and by the elimination of nonrecurring construction items. Proposed legislation to place certain activities on a self-supporting basis will bring in \$1.5 million.
Permanent.....NOA	25,000	15,000	15,000		
Reappropriation.....NOA	2,000	2,000	247,800 B-1,536	12,729	
Exp. 214,383		233,535			
Salaries and expenses (special foreign currency program).....355 NOA	4,500	8,500	12,700	4,200	Increase expands use of excess foreign currencies for market development, agricultural, and forestry research.
Exp. 7,242		6,575	8,912	2,337	
Construction of facilities.....355 Exp.	436	122		-122	(Construction of Columbia, Mo., facility was completed in May 1967. Minor alterations and construction at several other locations in 1968 should close out this account.)
Animal quarantine station (permanent, indefinite, special fund). Exp. 355 NOA		200	327	127	Receipts from sale of old Animal Quarantine Station, Clifton, N.J., will be used for construction of new station. Additional NOA for this purpose is included in account for Salaries and expenses.
Exp. 355		180	347	167	
Intragovernmental funds:					
Working capital fund, Agricultural Research Center.....355 Exp.	264				(This fund finances, on a reimbursable basis, central facilities and services amounting to \$5 million.)
Total, Agricultural Research Service.	240,193	245,068	251,412	6,344	
NOA	222,324	240,412	255,523	15,111	
Exp.					

A Proposed for separate transmittal under existing legislation, other than pay supplemental.

B Proposed for separate transmittal under proposed legislation.

C Proposed for separate transmittal, civilian pay act supplemental.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
COOPERATIVE STATE RESEARCH SERVICE					
General and special funds:					
Payments and expenses.....355	58,776	63,113	62,179	—934	Represents a decrease of \$1 million in grants for facilities, which is partially offset by increased salary costs.
NOA	56,397	59,211	65,063	5,852	
Exp.					
EXTENSION SERVICE					
Cooperative extension work, pay- ments and expenses.....355	92,799	96,602	97,629	1,027	Increase provides for salary cost for Federal employees and for mandatory retirement and compensation fund costs for extension agents. A shift of \$3,385 thousand is proposed from formula distribution to distribution under section 8 of the Smith-Lever Act to enable the Extension Service to work intensively with 70,000 low-income families.
NOA	92,509	89,900	97,487	7,587	
Exp.					
Intragovernmental funds:					
Advances and reimbursements.....355	—13				
Exp.					
Total, Extension Service.....	92,799	96,602	97,629	1,027	
NOA	92,496	89,900	97,487	7,587	
Exp.					
FARMER COOPERATIVE SERVICE					
General and special funds:					
Salaries and expenses.....355	1,204	1,304	1,848	507	Provides additional technical and developmental assistance and support to small, low-income farmers.
NOA		D 37			
Exp.	1,216	1,323	1,788	465	

Intragovernmental funds:									
Advances and reimbursements	355	Exp.	8						
Total, Farmer Cooperative Service.		NOA Exp.	1,204 1,224	1,341 1,323	1,848 1,788	507 465			
SOIL CONSERVATION SERVICE									
General and special funds:									
Conservation operations	354	NOA	109,248	113,438	116,313	1,420			Provides for additional salary costs.
		Exp.	110,520	114,455 114,500	116,000	1,500			
Watershed planning	401	NOA	6,327	5,990	6,224	59			Provides for additional salary costs.
		Exp.	6,327	175 6,545	6,224	-321			
Watershed protection	401	NOA	65,482	70,360	42,148	-28,212			Estimate will start construction on about 55 watershed projects, continue construction on 295, complete 70, and provide advance assistance on 310 projects. Loan funds will be provided from the Direct loan account, Farmers Home Administration in 1968 and 1969.
		LA	4,600						
		Exp.	73,943	73,047	61,945	-11,102			
Flood prevention	401	NOA	25,604	25,751	12,395	-13,356			Reduces funds for works of improvement. Loan funds in 1968 and 1969 will be provided from the Direct loan account, Farmers Home Administration.
		LA	80						
		Exp.	27,356	26,389	25,000	-1,389			
Great plains conservation program	354	NOA	18,504	16,336	13,414	-2,922			Program continues at about the same level as in 1968 on the basis of projected obligations.
		Exp.	15,877	16,358	15,700	-658			
Resource conservation and development	354	NOA	4,379	6,121	6,474	218			Provides funds for planning starts in 10 new project areas and for an increase for operating projects. Loan funds will be provided from the Direct loan account, Farmers Home Administration in 1968 and 1969.
		LA	285	135					
		Exp.	4,139	6,234	6,400	166			
Total, Soil Conservation Service.		NOA	229,545	239,761	196,968	-42,793			
		LA	4,965						
		Exp.	238,162	243,073	231,269	-11,804			

¹⁰ Proposed for separate transmittal, civilian pay act supplemental.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
ECONOMIC RESEARCH SERVICE					
General and special funds—Continued					
Salaries and expenses.....355 NOA	12,421	12,421 D 368	13,964	1,175	Increase is for research on labor and capital problems in farming; water quality and use; land resources and economic development; design of rural economic indicators; assistance to foreign countries in self-help analyses; and for additional pay costs.
Exp.	12,122	12,562	13,763	1,201	
STATISTICAL REPORTING SERVICE					
Salaries and expenses.....355 NOA	13,815	13,819 A 31 D 385	14,674	439	Increase is for evaluating the effectiveness of production and marketing statistics of crop and livestock products.
Exp.	13,276	14,243	14,629	386	
CONSUMER AND MARKETING SERVICE					
Consumer protective, marketing, and regulatory programs....355 NOA	83,825	89,276 A 5,922 B 4,766	119,846 B —11,655	8,227	Supplemental in 1968 and increases in 1969 are primarily for expansion of the meat and poultry inspection programs. Proposed legislation reflects establishment and operation of a revolving fund for user charges for various marketing services. In addition, proposed legislation eliminates certain obsolete marketing services.
Exp.	82,923	91,731 A 5,564	119,486 A 463 B —11,030	11,624	

Payments to States and possessions	NOA	1,750	1,750	1,750	-----	-----	Estimate provides for matching payments to States for programs to improve marketing.
355	Exp.	1,750	1,750	1,750	-----	-----	
Special milk program	NOA	51,000	-----	-----	-----	-----	Estimate reflects continued financing of this program by transfer from the permanent appropriation, Removal of surplus agricultural commodities.
Permanent	NOA	53,000	104,000	104,000	-----	-----	
	Exp.	96,066	102,000	102,000	-----	-----	
School lunch program	NOA	168,605	182,825	184,443	20,943	20,943	Increase provides for normal growth in the program, \$10 million for special assistance to needy schools, \$6.5 million for the pilot school breakfast program, \$6 million for food service equipment, and \$2.3 million for State administrative expenses.
Permanent	NOA	45,000	45,000	64,325	-----	-----	
	Exp.	208,298	219,825	246,044	26,219	26,219	
Food stamp program	NOA	109,976	161,745	225,000	60,055	60,055	Increase provides for an expanded program to reach approximately 3 million participants. Proposed legislation covers increased authorization.
Reappropriation	NOA	29,525	23,200	20,000	-----	-----	
	Exp.	114,095	177,945	223,000	60,055	60,055	
Perishable Agricultural Commodities Act fund (permanent, indefinite, special fund)	NOA	894	905	905	-----	-----	License fees are used to finance administration of the Act.
	Exp.	851	916	978	62	62	
Removal of surplus agricultural commodities (permanent, indefinite, special fund)	NOA	361,040	404,351	406,558	2,207	2,207	30% of gross customs receipts is available to finance this program.
	Exp.	145,419	175,000	180,000	3,500	3,500	Increased expenditures result from larger purchases of commodities for School Lunch Program. Proposed legislation will establish user charges to finance part of administration of market agreements and orders.
Total, Consumer and Marketing Service.	NOA	904,615	1,023,740	1,115,172	91,432	91,432	
	Exp.	649,402	774,731	876,191	101,460	101,460	

^a Proposed for separate transmittal under existing legislation, other than pay supplemental.

^b Proposed for separate transmittal under proposed legislation.

^c Proposed for separate transmittal, civilian pay act supplemental.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
FOREIGN AGRICULTURAL SERVICE					
General and special funds—Continued					
Salaries and expenses.....355 NOA	21,441	22,142	22,414	272	Increase is primarily for strengthening market development, market intelligence, and attaché services. (Program is financed from balances of prior year appropriations.)
Permanent.....	3,117	3,117	3,117		
Exp.	20,313	24,092	25,263	1,171	
Salaries and expenses (special foreign currency program).355	836	1,000	1,000	-----	
Total, Foreign Agricultural Service.	24,558	25,259	25,531	272	
	21,149	25,092	26,263	1,171	
INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE					
Intragovernmental funds:	343	-----	-----	-----	
Advances and reimbursements.152 Exp.					
COMMODITY EXCHANGE AUTHORITY					
General and special funds:					
Salaries and expenses.....355 NOA	1,434	1,486	1,584	54	Provides capability to handle increased audit workload.
Exp.	1,304	1,522	1,580	58	

AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE

Expenses, Agricultural Stabiliza- tion and Conservation Service. 351	NOA Exp.	128,558 131,691	137,935 140,120	143,934 143,700	5,999 3,580	Provides for additional salary costs.
Sugar Act program.....351	NOA Exp.	80,000 81,689	80,000 85,655	82,300 86,702	2,300 1,047	Increase is required to make payments to all eligible producers.
Agricultural conservation program: Contract authorization.....354	NOA Exp.	220,000 (220,000) 215,572	220,000 (220,000) 221,524	100,000 (195,500) 208,250	-120,000 (-24,500) -13,274	Estimate, although reduced, will provide adequate funds to share the cost of high priority conservation practices.
Cropland adjustment program..351	NOA Exp.	62,000 53,575	84,500 84,656	85,700 87,877	1,200 3,221	Increase required primarily to make initial payments on additional agreements signed under the 1969 program. No additional agreements authorized in 1968.
Conservation reserve program..351	NOA Exp.	140,650 140,735	123,000 123,419	109,500 109,500	-13,500 -13,919	Requirements for annual rental payments to producers will decrease in 1969 with contracts expiring on about 1.8 million acres in 1968.
Emergency conservation measures 354	NOA Exp.	5,000 5,702	5,000 7,700	5,000 7,700	-----	Payments are for cost-sharing assistance to farmers to rehabilitate lands damaged by natural disasters.
Cropland conversion program..351	NOA Exp.	7,500 1,655	3,314	3,078	-236	(No program is being conducted in 1968 and 1969. Emphasis will be placed on cropland adjustment program.)
Indemnity payments to dairy farmers.....355	NOA Exp.	400 166	500 510	----- 250	-500 -260	Provides payments to farmers for milk excluded from markets due to pesticide residues. Authority for making these payments expires June 30, 1968.

^D Proposed for separate transmittal, civilian pay act supplemental.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Con.					
General and special funds—Continued					
Appalachian region conservation program.....507	3,000				This activity is included under Appalachian regional develop- ment programs. Funds appropriated to the President.
Reappropriation.....	360				
NOA Exp.	2,800				
Total, Agricultural Stabiliza- tion and Conservation Service.	647,468 633,587	650,935 666,898	526,434 647,057	-124,501 -19,841	
COMMODITY CREDIT CORPORATION					
Price Support and Related Programs					
Public enterprise funds:					
Price support and related pro- grams:					
Contract authorization (per- manent, indefinite).		988,860		-988,860	
Appropriation to liquidate con- tract authorization.	(809,578)		(350,467)	(350,467)	
Reimbursement for net realized losses.	2,484,350 603	1,428,825 3,000	3,274,539	1,845,714 -3,000	Request is for restoration of the remaining 1966 and part of the 1967 realized losses, and will provide sufficient operating capital for 1969.
NOA	1,651,741	2,702,868	2,775,372	72,504	
LA Exp. NL	603	3,000		-3,000	

Limitation on administrative expenses.		(34,300)	(31,500)	(31,500)	(31,500)	
Total, price support and related programs.		NOA LA Exp. NL	2,417,685 3,000 2,702,868 3,000	3,274,539 ----- 2,775,372 -----	856,854 -3,000 72,504 -3,000	
Special Activities						
Intragovernmental funds:						
Military housing, barter and exchange.....351		Exp.	-2,000	-2,000	-----	(Receipts are from Department of Defense for housing constructed in France, using foreign currencies acquired by sale of agricultural commodities.)
National Wool Act (permanent, indefinite, special fund).....351		NOA Exp.	38,260 35,051	34,793 63,700	63,700 62,571	Increase due to higher price support payment rates in 1968 recoverable from 1969 appropriation.
Miscellaneous game bird protection.....351		Exp.	-86	-19	-----	19 (Reimbursement from the Department of the Interior is for surplus grain.)
Research to increase domestic consumption of farm commodities.....355		Exp.	3,506	8,388	4,156	-4,232 (This program is carried out by the Agricultural Research Service.)
Loans for conservation purposes.....354		Exp.	100	-5,000	-5,000	----- (Corporation funds may be loaned to the Secretary of Agriculture to carry out the agricultural conservation program.)
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.....351		Exp.	437	1,197	-----	-1,197 (The Corporation is authorized to sell cotton released from the national stockpile. Proceeds, less costs incurred, are deposited in the Treasury as miscellaneous receipts.)
Export credit sales program.....351		LA NL	261,324 261,324	-32,100 -32,100	23,500 23,500	55,600 55,600 (The Food for Peace Act of 1966 authorized the Corporation to finance the export sale of agricultural commodities, including private stocks, under its export credit sales program with reimbursement for costs incurred.)

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
COMMODITY CREDIT CORPORATION—Continued					
Special Activities—Continued					
Intragovernmental funds—Continued					
Subtotal.....					
NOA	38,260	34,793	63,700	28,907	
LA	261,324	—32,100	23,500	55,600	
Exp.	37,008	66,266	59,727	—6,539	
NL	261,324	—32,100	23,500	55,600	
Increase or decrease (—) in amount owed by general fund for foreign assistance programs.	—78,321	141,838	—2,543	—144,381	(The estimates indicate amount owed to Commodity Credit Corporation by foreign assistance and special export programs will be —\$93,322 thousand in 1967, \$48,516 thousand in 1968, and \$45,973 in 1969.)
Foreign donations financed by Corporation, excluded from ex- penditures above.	45,488				
Total, special activities financed by Commodity Credit Corporation.	38,260	34,793	63,700	28,907	
NOA	261,324	—32,100	23,500	55,600	
LA	4,175	208,104	57,184	—150,920	
Exp.	261,324	—32,100	23,500	55,600	
NL					
Total, Commodity Credit Corporation, price support and related programs and special activities.	2,522,610	2,452,478	3,338,239	885,761	
NOA	261,927	—29,100	23,500	52,600	
LA	1,655,916	2,910,972	2,832,556	—78,416	
Exp.	261,927	—29,100	23,500	52,600	
NL					

FOREIGN ASSISTANCE AND SPECIAL
EXPORT PROGRAMS

General and special funds:

Public Law 480:

Sale of agricultural commodities
for foreign currencies and
for dollars on credit terms
(title I)-----154

NOA
Exp.1,417,000
1,070,2531,305,500
890,000361,537
1,002,250-943,963
112,250

Reflects shift from sales for foreign currencies to sale for dollars on credit. Proposes to combine these two programs for inter-changeability of available funds. Increase in expenditures is primarily for rice, cotton, ocean transportation, and lower receipts from sale of foreign currencies. This is partly offset by decrease in wheat and higher loan repayments.

Commodities disposed of and
other costs incurred in connec-
tion with donations abroad
(title II)-----154

NOA
Exp.200,000
381,374300,000
425,000556,606
442,150256,606
17,150

Primarily includes increases in wheat and ocean transportation partly offset by a decrease in dairy products.

Total, Public Law 480----

NOA
Exp.1,617,000
1,451,6271,605,500
1,315,000918,143
1,444,400-687,357
129,400

International Wheat Agreement
351

Exp.

-7,511

(International Wheat Agreement Act expired June 30, 1965.)

Bartered materials for supple-
mental stockpile-----351

NOA
Exp.-----
32,54023,000
25,338-----
1,200-23,000
-24,138

Expenditures are for value of strategic materials acquired by barter and then transferred to supplemental stockpile. De-crease reflects phasing out the program.

Subtotal, foreign assistance
and special export pro-
grams.

NOA
Exp.1,617,000
1,476,6561,628,500
1,340,338918,143
1,445,600-710,357
105,262

Increase (-) or decrease in
amount owed by general fund to
Commodity Credit Corporation.

Exp.

78,321

-141,838

2,543

144,381

(Expenditures shown above have been made by the Commodity Credit Corporation in advance of appropriations in some years. This adjustment line brings the total of this group to the amounts paid by the appropriations to the Corporation during each year.)

o Includes \$200,000 thousand to carry out authorizing legislation to be proposed.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS—Continued					
General and special funds—Continued					
Foreign donations financed by Exp. Corporation, included in ex- penditures above.	—45,488				
Total, foreign assistance and special export programs.	1,617,000 1,509,489	1,628,500 1,198,500	918,143 1,448,143	—710,357 249,643	
Total, Commodity Credit Corporation, foreign assist- ance programs, and special export programs.	4,139,610 261,927 3,165,405 261,927	4,080,978 —29,100 4,109,472 —29,100	4,256,382 23,500 4,280,699 23,500	175,404 52,600 171,227 52,600	
FEDERAL CROP INSURANCE CORPORATION					
Administrative and operating ex- penses.....351	8,683 8,632	10,206 10,380	12,000 12,000	1,794 1,620	Increase reflects a partial shift in financing from the Corporation fund to direct appropriation, and includes increased salary costs in 1969.
Public enterprise funds:					
Federal Crop Insurance Corpora- tion fund.....351	—6,339	14,844	941	—13,903	(Includes payments for insurance losses offset by premium collections. 1969 losses are estimated at 90% of premiums compared with 118% in 1968.)

Limitation on administrative and operating expenses.	(3,329)	(2,850)	(1,430)	(-1,420)	Decrease reflects a partial shift in financing from the Corporation fund to direct appropriation.
Total, Federal Crop Insurance Corporation. NOA Exp.	8,683 2,294	10,206 25,224	12,000 12,941	1,794 -12,283	
RURAL ELECTRIFICATION ADMINISTRATION					
General and special funds:					
Loans (authorization to spend debt receipts).....353 NL	462,000 411,995	434,600 470,500	424,000 550,000	-10,600 79,500	The 1969 estimate plus prior year balances will provide for estimated loan commitments of \$345 million for electrification and \$125 million for telephone. Proposed legislation would reduce commitments under the regular telephone program by \$50 million and provide telephone bank loans in the same amounts.
Repayments deposited in general fund. LA NL	-180,249	-191,600	-189,500	2,100	
Salaries and expenses.....353 NOA Exp.	12,426 12,210	12,457 12,832	12,937 12,890	480 58	Estimate covers administration expense of rural electrification and telephone programs.
Total, Rural Electrification Administration. NOA LA Exp. NL	12,426 281,751 12,210 231,746	12,457 243,000 12,832 278,900	12,937 234,500 12,890 360,500	480 -8,500 58 81,600	
FARMERS HOME ADMINISTRATION					
Rural water and waste disposal grants.....352 NOA Exp.	26,000 11,147	30,000 27,000	27,250 33,750	-2,750 6,750	Provides planning and development grants for rural water and sewer systems.
Rural renewal.....352 NOA LA Exp.	196 1,004 1,061	300 1,300 1,800	300 1,300 1,390	----- ----- -410	Provides technical and financial assistance to 5 existing projects.
Rural housing for domestic farm labor.....352 NOA Exp.	3,000 220	3,500 3,800	5,000 5,000	1,500 1,200	Increase is for larger program of grants to nonprofit public or private organizations for low-rent housing and related facilities.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
FARMERS HOME ADMINISTRATION—Continued					
General and special funds—Continued					
Salaries and expenses.....352 NOA Exp.	51,542 52,167	55,941 58,964	59,132 58,447	3,191 —517	Increase due to servicing of higher number of outstanding loans.
Payment of sales insufficiencies NOA 352	-----	13,268	-----	—13,268	Insufficiencies will be financed from balances of prior NOA.
Public enterprise funds:					
Direct loan account.....352 LA Exp. NL	488,000 —39,694 43,237	600,000 —16,363 63,778	175,000 —17,227 32,622	—425,000 —864 —31,156	Receipts and balances will finance an estimated loan program of \$337.9 million. Net lending amounts for all years include loans for rural renewal, watershed protection, flood prevention, re-source conservation, and development and operating loans.
Rural housing direct loan account 352 LA Exp. NL	112,000 —5,067 —29,402	150,000 —3,162 —28,060	250,000 —2,343 —11,145	100,000 819 16,915	Receipts and balances will finance an estimated loan program of \$30 million in 1969.
Rural housing insurance fund...352 Exp. NL	—11,176 42,288	2,944 —24,080	4,395 —2,610	1,451 21,470	(Receipts, including sale of insured loans, and balances will finance an estimated loan program of \$475 million in 1969.)
Emergency credit revolving fund 352 NL	4,708 3,888	5,928 —28,560	6,468 —8,560	540 20,000	(Receipts and balances will finance an estimated loan program of \$64 million and administrative expenses of \$6 million in 1969.)

Agricultural credit insurance fund (permanent, indefinite, author- ization to spend debt receipts) NL 352	LA	71,239	7,604	10,636	3,032	(Receipts, including sale of insured loans, and balances will finance an estimated loan program of \$395 million in 1969. Legislation will be proposed to provide nonfarm enterprise loans for low- income farm families.)
	Exp.	-8,700	-79,355	-14,080	65,275	
Total, Farmers Home Admin- istration.	NOA	80,738	103,009	91,682	-11,327	Increase will provide for additional salary costs in 1969.
	LA	672,242	751,300	426,300	-325,000	
Exp.	4,666	88,515	100,516	12,001		
NL	42,183	-96,277	-3,773	92,504		
RURAL COMMUNITY DEVELOPMENT SERVICE						
General and special funds: Salaries and expenses.....355	NOA	652	450	469	6	Increase will provide for additional salary costs in 1969.
	Exp.	664	453	461	8	
Intragovernmental funds: Advances and reimbursements..355	Exp.	36	12	-	-12	Increase provides for additional audit and investigation activities.
	NOA	652	463	469	6	
Exp.	700	465	461	-4		
OFFICE OF THE INSPECTOR GENERAL						
General and special funds: Salaries and expenses.....355	NOA	11,437	11,976	12,867	591	Increase provides for additional audit and investigation activities.
	Exp.	11,366	12,007	12,584	577	
PACKERS AND STOCKYARDS ADMINISTRATION						
Packers and Stockyards Act...355	NOA	2,569	2,569	3,166	526	Increase covers expansion of activities in maintenance of effec- tive competition in packer merchandising and procurement, poultry marketing practices, and testing livestock carcass and poultry scales.
	Exp.	2,380	2,672	3,118	446	

D Proposed for separate transmittal, civilian pay act supplemental.

^D Proposed for separate transmittal, civilian pay act supplemental.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Federal Funds—Continued</i>					
OFFICE OF THE GENERAL COUNSEL					
General and special funds—Continued					
Salaries and expenses.....355 NOA	4,323	4,325 D 136	5,033	572	Increase required for legal services for new and expanded programs.
Exp.	4,170	4,452	5,006	554	
OFFICE OF INFORMATION					
Salaries and expenses.....355 NOA	1,882	1,928 D 37	1,997	32	Increase provides for additional salary costs.
Exp.	2,039	1,964	1,991	27	
NATIONAL AGRICULTURAL LIBRARY					
Salaries and expenses.....355 NOA	2,458	2,608 D 58	3,419	753	Increase primarily for transferring library operations to new facility at Beltsville, Md.
Exp.	1,801	2,890	3,510	620	
Library facilities.....355 Exp.	830	4,312	2,018	-2,294	(Construction of new facility at Beltsville, Md., will continue.)
Total, National Agricultural Library.	2,458 2,631	2,666 7,202	3,419 5,528	753 -1,674	
OFFICE OF MANAGEMENT SERVICES					
Salaries and expenses.....355 NOA	2,667	2,667 D 79	2,910	164	Provides for servicing new or expanded programs.
Exp.	2,612	2,739	2,908	169	

GENERAL ADMINISTRATION

Salaries and expenses.....355 NOA

Exp. 4,052

Intragovernmental funds:

Working capital fund.....355 Exp.

Exp. 3,728

Total, general administration. NOA

Exp. 4,052

3,739

FOREST SERVICE

General and special funds:

Forest protection and utilization NOA

402 Exp. 259,998

Exp. 262,017

Cooperative range improvements NOA

(special fund).....402 Exp. 700

700

Forest roads and trails.....402

Contract authorization:

Current.....NOA

Permanent.....NOA

Liquidation of contract authori- Exp.

zation. 170,000

(101,230)

Acquisition of lands for national NOA

forests, special acts (special Exp.

fund).....402 80

80

Other general funds.....402 NOA

Exp. 300

624

^A Proposed for separate transmittal under existing legislation, other than pay supplemental.^D Proposed for separate transmittal, civilian pay act supplemental.^F To carry out authorizing legislation to be proposed.

4,487	4,664	50	Increase provides for additional salary costs.
^D 127			
4,568	4,659	91	
-116	113	229	(This fund finances central administrative services of over \$8 million.)
4,614	4,664	50	
4,452	4,772	320	
246,346	249,149	-38,197	Supplemental in 1968 is for fighting forest fires and is excluded from 1969 estimate. Increase in 1969, after adjustment, is for forest land management, State and private forestry cooperation, and forestry research.
^A 41,000			
238,277	257,910	-17,367	
^A 39,000	^A 2,000		
700	700		These funds are advanced to and merged with the previous appropriation.
700	700		
170,000	^F 125,000	-45,000	Program will construct or reconstruct about 910 miles of multi-purpose roads.
(101,230)	(91,970)	(-18,030)	
102,500	98,155	-14,467	
80	80	18	Certain forest receipts otherwise payable to counties in Utah, Nevada, and California are used to acquire lands within national forests.
62	80		
300	474	-474	(Prior balances will acquire interest in existing roads or rights-of-way and land in Minnesota and Utah.)
624			

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
Federal Funds—Continued					
FOREST SERVICE—Continued					
General and special funds—Continued					
Assistance to States for tree plant- ing.....402	1,000 1,076	1,000 1,006	1,000 1,007	----- 1	Aid is given, mainly through grants, for reforestation work.
Timber development organization loans and technical assist- ance.....507	61	-----	-----	-----	(This activity included in Appalachian regional development programs.)
Forest Service permanent appro- priations (indefinite, special funds).....402	69,346 68,622	72,549 72,030	77,010 76,572	4,461 4,542	Provides for use of a portion of operating revenues from national forests and grasslands for payments to States and counties for schools, roads, trails, and brush disposal. A portion is transferred to and merged with the appropriation, Forest roads and trails.
Intragovernmental funds:					
Working capital fund, Forest Service.....402	—1,651	—708	1,225	1,933	(Provides administrative services to national forests, research experiment stations, and other Federal agencies on a reimbursable basis.)
Advances and reimbursements.....402	—429	650	-----	—650	
Total, Forest Service.....	501,425 433,582	531,675 464,113	452,939 437,649	—78,736 —26,464	
Subtotal, Federal funds.....	6,999,750 1,220,885 5,589,580 535,856	7,144,529 965,200 6,865,076 153,523	7,167,860 684,300 7,111,676 380,227	23,331 —280,900 246,600 226,704	Total Federal funds are distributed as follows: 1968
		NOA	LA	Exp.	NL
Enacted.....	7,092,841	1,156,800	6,820,512	345,123	

		1969					
		NOA	LA	Exp.	NL		
Repayments		46,922	—191,600	—	—191,600		
(A)		—	—	44,564	—		
(B)		4,766	—	—	—		
Transmitted		7,161,051	873,800	7,108,279	569,727		
Repayments		—	—189,500	—	—189,500		
(A)		—	—	2,463	—		
(B)		6,809	—	934	—		
Certain services are financed by fees and contributions from business organizations, States, and others.		376					
		173					
Contributions are received from States and local organizations for work performed under cooperative agreements.		2		2			
		2		2			
Contributions are received from States, local organizations, and others for work performed under cooperative agreements.		1	1	1	—1		
		1	1	1	—1		
Contributions are received from States, local organizations, and others for work performed under cooperative agreements.		7	8	8	—3		
		6	11	8	—3		

Trust Funds

AGRICULTURAL RESEARCH SERVICE

Miscellaneous trust funds (permanent).....355 Exp.

COOPERATIVE STATE RESEARCH SERVICE

Miscellaneous contributed funds (permanent).....355 Exp.

EXTENSION SERVICE

Miscellaneous contributed funds (permanent).....355 Exp.

FARMER COOPERATIVE SERVICE

Miscellaneous contributed funds (permanent).....355 Exp.

^A Proposed for separate transmittal under existing legislation, other than pay supplemental.
^B Proposed for separate transmittal under proposed legislation.

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Trust Funds—Continued</i>					
SOIL CONSERVATION SERVICE					
Miscellaneous contributed funds NOA (permanent).....354 Exp.	867 843	965 919	1,033 981	68 62	Includes funds received from States, local organizations, and individuals for work under cooperative agreements.
ECONOMIC RESEARCH SERVICE					
Miscellaneous contributed funds NOA (permanent).....355 Exp.	40 160	31 96	30 30	—1 —66	Includes funds received from States, local organizations, and others for economic research.
STATISTICAL REPORTING SERVICE					
Miscellaneous contributed funds NOA (permanent).....355 Exp.	9 9	4 44	4 4	— —40	Contributions are received from States, local organizations, and others for crop and livestock surveys.
CONSUMER AND MARKETING SERVICE					
Consumer and Marketing Service NOA trust funds (permanent).....355 Exp.	29,408 28,796	31,778 31,745	32,805 32,363	1,027 618	Fees are for various inspection and grading services.
Milk market orders assessment fund (trust revolving fund).....351 Exp.	16	—71	—72	—1	(Operations are financed by assessments on regulated milk handlers.)
Total, Consumer and Marketing Service.	29,408 28,812	31,778 31,674	32,805 32,291	1,027 617	

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE							(Receipts, primarily from State and local organizations, are used for work under cooperative agreements.)
Miscellaneous contributed funds..351	Exp.						
FARMERS HOME ADMINISTRATION							
State rural rehabilitation funds..352	Exp.						
NL							
OFFICE OF INFORMATION							
Miscellaneous contributed funds NOA							
(permanent).....355	Exp.						
NATIONAL AGRICULTURAL LIBRARY							
Miscellaneous contributed funds NOA							
(permanent).....355	Exp.						
FOREST SERVICE							
Cooperative work (permanent)..402	NOA						
Exp.							
Subtotal, trust funds.....	NOA						
	Exp.						
	NL						
Adjustments							
Applicable receipts from the pub-lic.....350	NOA						
Exp.							
400	NOA						
Exp.							
850	NOA						
Exp.							
050	NOA						
Exp.							

Table 14. ANALYSIS OF BUDGET AUTHORITY AND OUTLAYS BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1967 enacted	1968 estimate	1969 estimate	Increase or decrease (—)	Explanation
DEPARTMENT OF AGRICULTURE—Continued					
<i>Adjustments—Continued</i>					
Repayments deposited in general fund (included in details above).			(-189,500)	(2,100)	
Total, Department of Agri- culture.					
LA					
NL					
NOA					
LA					
Exp.					
NL					
Totals for the Department are distributed as follows:					
1968					
Enacted	6,706,802	6,834,499	6,845,818	11,319	NOA
Repayments	1,220,885	965,200	684,300	-280,900	LA
(A)	5,291,558	6,555,774	6,789,593	233,819	Exp.
(B)	536,340	149,716	377,746	228,030	NL
1969					
Transmitted	6,839,009	873,800	6,786,196	567,246	NOA
Repayments	-	-189,500	-	-189,500	LA
(A)	-	-	-	-	Exp.
(B)	-	-	-	-	NL

SPECIAL ANALYSIS E

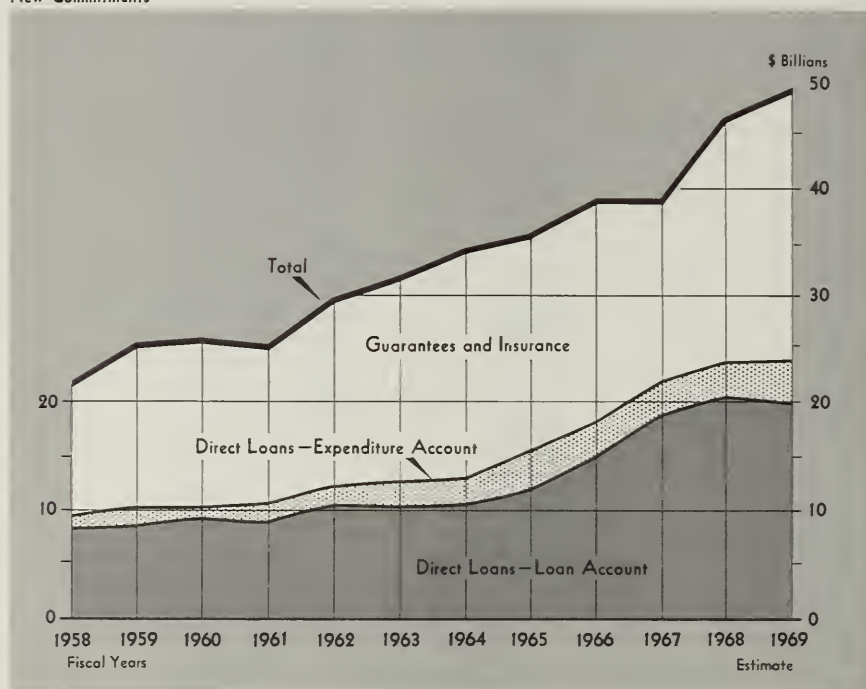
FEDERAL CREDIT PROGRAMS

INTRODUCTION

Federal credit aids—direct loans and insurance or guarantees of private loans—play a major role in Government programs for: (a) improvement of housing and encouragement of homeownership; (b) development of agricultural and other natural resources; (c) assistance to economic development and military preparedness abroad; (d) promotion of business, especially exports, transportation, and small business generally; (e) redevelopment of communities and regions; and (f) aid to higher education.

Federal Credit Programs

New Commitments



Over the past decade the overall level of Federal credit assistance has doubled, a rate of increase comparable to the rise in the gross national product. During the same period many existing programs have been broadened and new programs initiated to meet emerging needs. On the other hand, other programs established for temporary reasons in earlier years are liquidating their operations as outstanding

loans are repaid or privately refinanced. Moreover, as private investors accumulate experience with ongoing programs, they often refinance outstanding Federal loans or directly finance the new credit requirements of borrowers.

Federal credit programs help borrowers to help themselves. In several programs, the credit aids are part of a package of Federal assistance. Such a package sometimes also includes, for example, grants to provide necessary public facilities for depressed areas; grants for work-training, education, and other types of community action to help combat poverty; technical aids to help underdeveloped countries plan and construct basic transportation systems; or management advice to help rural residents plan, develop and operate their farms economically and productively.

SCOPE OF SPECIAL ANALYSIS

This analysis (a) summarizes the 1967-1969 trends in Federal credit programs, (b) indicates the relationship between the credit programs and the overall budget totals, and (c) discusses certain subsidy aspects of credit programs.

The 1969 analysis includes for the first time information on the level and trends of all Federal credit programs. It comprises not only those operated by wholly owned Government agencies, but also those administered by mixed-ownership corporations and trust funds. Both currently active programs and programs in process of liquidation are included.

The principal disbursements and repayments of most, but not all of the direct Federal loans covered by this analysis are included in the loan account; the specific appropriation accounts which finance these programs are separately identified in Part 5. In addition, in line with the recommendations of the President's Commission on Budget Concepts, two specific types of direct loan programs, accounting for about 15% of new commitments, are reflected in the expenditure account; these programs comprise (a) foreign loans made largely on noncommercial terms, and (b) other loans where the terms of the loan contract make repayment in certain respects contingent rather than mandatory.

As in previous years, the analysis includes both direct Federal loans and Federal guarantees and insurance of loans made by private lenders. It excludes all borrowing operations of Federal agencies, whether from the Treasury or the public. Pursuant to the recommendations of the Commission on Budget Concepts, sales of certificates of participation in loans by the Export-Import Bank and by the Federal National Mortgage Association as trustee for several agencies are treated as borrowing. Sales and retirements of such certificates are shown in table E-6, but the transactions otherwise are excluded from the analysis.

In addition, contrary to the practice followed in previous years, the analysis is confined to loans made and repayable in dollars and, therefore, excludes significant amounts of loans, mainly some of those made by the Agency for International Development, which are repayable in foreign currencies.¹ This exclusion facilitates reconciliation with other budget totals.

The 1969 analysis covers credit programs administered by nine departments and 10 other agencies. The estimates for 1968 and 1969 include credit aid authorized by legislation enacted during the past year.²

The analysis also reflects the impact on credit programs of proposed legislation (a) authorizing a new export expansion program by the Export-Import Bank; (b) broadening Federal assistance for existing programs of student loan insurance; (c) revising the formulas governing interest rates on college housing and academic facility loans; (d) authorizing a flexible ceiling for interest rates on insured or guaranteed housing loans; (e) accelerating the transfer of the secondary market operations of the Federal National Mortgage Association to private ownership; (f) creating two new cooperative banks for rural electric and telephone loans; (g) authorizing federally insured loans to Indians; and (h) extending authority to make credit sales of military equipment.

NEW COMMITMENTS

New commitments are the best single measure of the short-run trends in most Federal credit programs. They also give the best advance indication of trends in the financing impact of these programs, since changes in the level of new commitments usually precede corresponding changes in the volume of loans disbursed by either public agencies or private lenders and in the purchase of goods and services by the ultimate borrowers.

In this analysis, commitments are defined as approvals by Federal agencies of direct loans or of insurance or guarantees of private loans. They are shown on a gross basis, including administrative reservations, commitments which do not later result in actual credit extensions, and the unguaranteed portions of loans partially covered by Federal guarantees.

¹ Data on loans repayable in foreign currency is contained in table M-6 in Special Analysis M.

² See summary on pp. 527-528 for further details.

Table E-1. NEW COMMITMENTS FOR FEDERAL CREDIT PROGRAMS
CLASSIFIED BY TYPE OF ASSISTANCE AND ACCOUNT (in millions of dollars)

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans
EXPENDITURE ACCOUNT						
Funds appropriated to the President:						
Military assistance.....	65	289	72	190	61	235
Economic assistance.....	1,190	59	996	315	1,459	303
Department of Agriculture: Commodity Credit Corporation.....	1,417	166	2,112	354	2,180	400
Department of Health, Education, and Welfare.....	220		236		248	
Other programs.....	7		7		7	
Total, expenditure account.....	2,899	514	3,422	859	3,955	938
LOAN ACCOUNT						
Office of Economic Opportunity.....	32		29		18	
Department of Agriculture:						
Commodity Credit Corporation.....	277		161		220	
Rural Electrification Administration.....	472		470		470	
Farmers Home Administration.....	505	822	458	817	435	870
Department of Commerce:						
Economic Development Administration.....	75	7	72	7	86	9
Maritime Administration.....		104		140		166
Department of Health, Education, and Welfare.....	209		157	476	157	165
Department of Housing and Urban Development:						
Federal National Mortgage Association.....	2,436		3,874		1,651	
Federal Housing Administration.....	676	9,991	667	12,657	415	14,238
Public housing loans.....	23	443	52	985	67	1,265
College housing loans.....	300		200		300	
Urban renewal loans.....	177	777	211	869	214	886
Housing for the elderly loans.....	84		85		85	
Public facility loans.....	30		50		40	
Department of the Interior.....	24	8	29	6	17	11
General Services Administration.....	39			45		
Veterans Administration:						
Housing loans and guarantees.....	529	2,831	539	4,005	592	4,350
Insurance policy loans.....	161		155		165	
District of Columbia.....	77		119		144	
Export-Import Bank.....	2,661	1,160	2,111	1,446	2,440	2,076
Farm Credit Administration:						
Banks for cooperatives.....	1,815		2,101		2,370	
Federal intermediate credit banks.....	6,999		8,349		9,481	
Federal Home Loan Bank Board.....	66		12			
Small Business Administration.....	357	132	429	318	459	365
Other agencies or programs.....	28	96	17	12	12	8
Purchase of obligations of federally sponsored enterprises.....	850					
Total loan account.....	18,903	16,371	20,341	21,783	19,840	24,408
Grand total.....	21,802	16,885	23,768	22,642	23,795	25,346

Direct loans.—New commitments of \$23.8 billion for direct loans in 1969 are unchanged from the revised estimates for 1968, but roughly \$2 billion higher than the actual commitments made in 1967. Over the 2-year period, the largest increases are anticipated in short-term credit provided by the Federal intermediate credit banks and the Banks for Cooperatives in the loan account, and in commodity loans and long-term export sales credit by the Commodity Credit Corporation in the expenditure account. These three credit aids alone account for well over half of the direct loan commitments projected for 1969. On the other hand, mortgage purchase commitments by the Federal National Mortgage Association for the account of the Government are expected to be sharply lower, because legislation is proposed both to lift the statutory ceiling on interest rates, encouraging broader private credit extension, and to transfer the secondary market operations to private ownership.

Guarantees and insurance.—New commitments of \$16.9 billion in 1967 for guarantees and insurance of private loans were at the lowest level since 1961. This was primarily attributable to the sharp decline in housing construction—aggravated by the unattractiveness of investment in federally insured or guaranteed loans at the fixed statutory ceilings on interest rates.

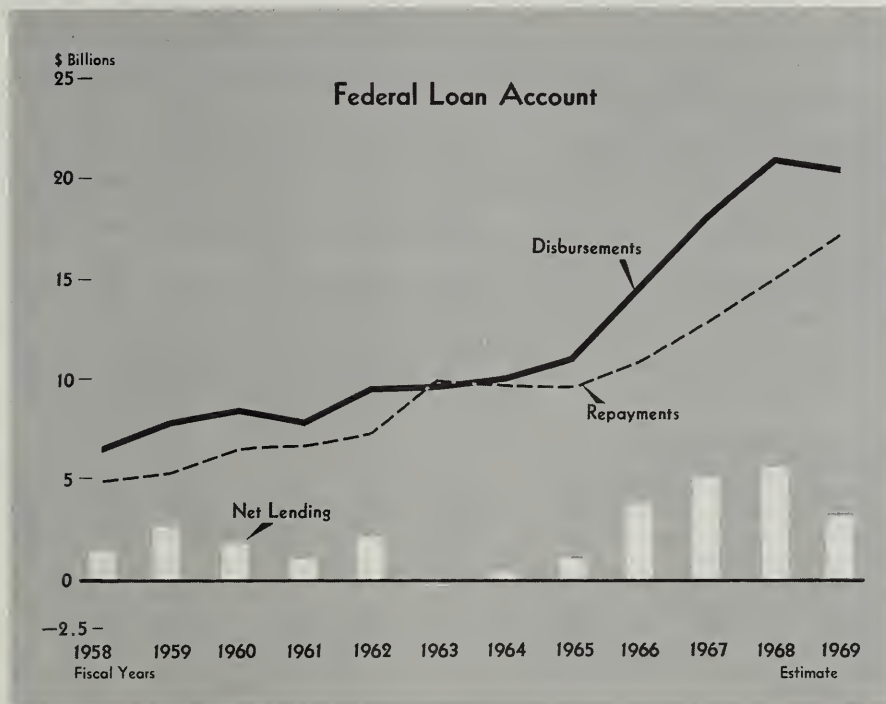
Total commitments, however, are expected to reach a record level of \$25.3 billion in 1969. Increases in commitments for mortgage insurance by the Federal Housing Administration (\$4.2 billion), and in housing loan guarantees by the Veterans Administration (\$1.5 billion) account for the great bulk of the estimated expansion. Other substantial increases are anticipated in guarantees of foreign loans by the Export-Import Bank (\$0.9 billion) and in low-rent housing loans underwritten in the public housing program (\$0.8 billion).

Disbursements and repayments.—Gross disbursements for direct loans have the most immediate impact on the budget. In long-established programs, or in programs involving short-term loans, however, the cash outflow required for such disbursements usually is largely or wholly offset by repayments on the outstanding portfolio of loans. This is true for most of the credit extensions by the Federal intermediate credit banks, the banks for cooperatives, the Farmers Home Administration and the Commodity Credit Corporation, as well as for the interim financing of public housing and urban renewal projects.

On the other hand, long-term loans, such as those to finance construction of college housing and academic facilities or rural electrification and telephone systems, as well as purchases of mortgages to help finance residential housing, have a major net impact on the budget, since repayments usually fall short of new loans. This is especially true for rapidly expanding programs, such as the Export-Import Bank. Moreover, while in some previous years substantial sales of outstanding loans have augmented repayments, the current outlook is for sales of only \$0.2 billion in 1968 and 1969.

Federal guarantees and insurance of private loans ordinarily have only minor and indirect budget consequences. Principal disbursements of Federal funds normally occur only when the borrower defaults, or

in a few programs when holders of such insured loans exercise their repurchase options.



In accordance with the recommendations of the Commission on Budget Concepts, both the budget as a whole and this analysis segregate and treat separately net lending—the excess of principal disbursements over collections of all credit programs in the loan account. The gross data on disbursements are also adjusted to reflect writeoffs, losses, and recoveries. As a result, the net lending in any year equals the change between the loans outstanding in the loan account at the beginning of the year and the total outstanding at the year end.

The same principles are followed in deriving the gross and net loan expenditures for credit programs in the expenditure account. As a result, the net loan disbursements for all credit programs in the loan account and for most of the credit programs in the expenditure account are identical with the outlays shown as “loans” in the “additions to Federal assets” category in Special Analysis D.¹ The only exceptions are for those programs in the expenditure account not financed through revolving funds, where repayments are individually recorded in miscellaneous receipts, rather than netted against expenditures. Omission of these repayments in Special Analysis D causes the total of “additions to assets” in that analysis to exceed the net loan disbursements in this analysis by \$467 million, \$177 million, and \$223 million in 1967, 1968 and 1969, respectively.

¹ See table D-2 on pp. 498-500.

Table E-2. DISBURSEMENTS AND REPAYMENTS FOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF ACCOUNT (in millions of dollars)

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
EXPENDITURE ACCOUNT						
Funds appropriated to the President:						
Military assistance ¹	43	43	34	54	6	-----
Economic assistance.....	1,169	66	1,064	84	1,191	94
Department of Agriculture: Commodity Credit Corporation.....	1,376	2,085	2,072	1,458	2,140	2,030
Department of Health, Education, and Welfare.....	222	*	238	*	238	*
Treasury Department ¹	416	109	-----	11	151	-----
Other programs.....	14	12	8	14	5	14
Total, expenditure account.....	2,823	2,622	3,416	1,720	3,591	2,288
LOAN ACCOUNT						
Office of Economic Opportunity.....	32	8	29	12	18	15
Department of Agriculture:						
Commodity Credit Corporation.....	277	15	161	190	220	196
Rural Electrification Administration.....	412	180	470	192	550	190
Farmers Home Administration.....	1,231	1,188	1,426	1,526	1,352	1,358
Department of Commerce:						
Economic Development Administration.....	34	4	58	5	72	7
Maritime Administration.....	-----	9	-----	8	-----	8
Department of Health, Education, and Welfare.....	88	3	73	1	87	4
Department of Housing and Urban Development:						
Federal National Mortgage Association.....	1,766	405	3,513	495	1,669	564
Federal Housing Administration.....	662	641	658	594	405	292
Public housing loans.....	154	144	220	200	220	235
College housing loans.....	391	29	350	34	295	38
Urban renewal loans.....	607	543	470	453	475	444
Housing for the elderly loans.....	78	1	90	1	100	2
Public facility loans.....	59	3	45	4	54	4
Department of the Interior.....	28	3	26	4	16	4
General Services Administration.....	38	40	*	46	-----	41
Veterans Administration:						
Housing loans and guarantees.....	522	252	537	225	600	238
Insurance policy loans.....	146	85	155	97	165	101
District of Columbia.....	55	36	55	39	108	43
Export-Import Bank.....	1,167	627	1,645	929	1,680	1,005
Farm Credit Administration:						
Banks for cooperatives.....	1,815	1,622	2,101	1,852	2,370	2,132
Federal intermediate credit banks.....	6,999	6,520	8,349	7,849	9,481	8,948
Federal Home Loan Bank Board.....	53	9	12	20	-----	20
Small Business Administration.....	280	212	410	296	421	320
Other agencies or programs.....	45	33	17	20	12	16
Purchase of obligations of federally sponsored enterprises.....	850	-----	-----	-----	-----	882
Total, loan account.....	17,787	12,611	20,869	15,091	20,372	17,106
Grand total.....	20,610	15,233	24,285	16,811	23,963	19,394

*Less than \$500 thousand.

¹ All 1969 transactions of the Foreign military sales fund are shown in a Treasury liquidation account.

Over the 1957-66 decade, net lending for all Federal programs in the loan account ranged from a high of \$3.8 billion in 1966 to a low in 1963 when repayments exceeded new loan disbursements by \$0.1 billion. The actual net lending in 1967 and the net lending now estimated for 1968 is at record levels, \$5.2 billion and \$5.8 billion, respectively. A sharp cutback to \$3.3 billion is now forecast for 1969. This reflects predominantly the \$1.8 billion reduction in net mortgage purchases by the Federal National Mortgage Association.

Loan disbursements in the expenditure account also are expected to substantially exceed repayments—by \$1.7 billion in 1968 and \$1.3 billion in 1969. This is partly because most loans for foreign economic assistance permit deferment of principal repayments during the early years.

OUTSTANDING DIRECT AND GUARANTEED LOANS

The best index of the level of Federal credit programs over a period of years is provided by the total outstanding direct and guaranteed loans. By the close of 1969, these will amount to \$156.9 billion in the loan account and an additional \$19.4 billion in the expenditure account—or a gross total of \$176.2 billion.

Outstanding direct loans in the loan account (including loans pooled as collateral for certificates of participation) will rise by an estimated \$9 billion over the 2-year period—almost half of this because of the \$4.1 billion increase in the total FNMA portfolio. Other major increases are estimated for the Export-Import Bank (\$1.4 billion) and the Federal intermediate credit banks (\$1 billion), as well as in college housing loans, VA housing loans, and REA loans.

An additional \$3 billion rise is anticipated between 1967 and 1969 in the direct loan portfolios in the expenditure account. Most of this occurs in foreign assistance credits of the Agency for International Development, long-term export sales credit by the Commodity Credit Corporation, and repayable capital contributions to student loan funds by the Department of Health, Education, and Welfare.

Outstanding guaranteed and insured loans in both accounts will rise from a total of \$99.5 billion at the end of 1967 to \$117.1 billion in 1969. Housing loans insured by the Federal Housing Administration or guaranteed by the Veterans Administration or in the low-rent public housing program account for two-thirds of this increase. Other major increases are expected in loans insured by the Farmers Home Administration (\$1.6 billion), the Export-Import Bank (\$0.9 billion), the Commodity Credit Corporation (\$0.7 billion), and the urban renewal program (\$0.7 billion).

The amounts shown include both the guaranteed and unguaranteed portion of outstanding loans in order to give a more complete picture of the economic impact of these programs and to tie in better with banking statistics. Thus, they do not indicate the estimated contingent liability of the Federal Government. The major program for which the contingent liability differs materially from the principal amount of the loans is the veterans loan guarantee program; by the end of 1969, the Government's liability will be \$17.6 billion lower than the amount of guaranteed loans outstanding under that program.

Table E-3. OUTSTANDING DIRECT LOANS, AND GUARANTEED AND INSURED LOANS FOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF ACCOUNT (in millions of dollars)

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans	Direct loans	Guaranteed and insured loans
EXPENDITURE ACCOUNT						
Funds appropriated to the President:						
Military assistance ¹	43	218	23	388	6	235
Economic assistance.....	6,074	237	7,055	552	8,152	854
Department of Agriculture: Commodity Credit Corporation.....	1,085	1,021	1,698	1,375	1,808	1,775
Department of Health, Education, and Welfare.....	959	-----	1,196	-----	1,434	-----
Treasury Department ¹	4,686	-----	4,577	-----	4,461	463
Other programs.....	184	-----	177	-----	168	-----
Total, expenditure account.....	13,031	1,476	14,727	2,315	16,030	3,327
LOAN ACCOUNT						
Office of Economic Opportunity.....	70	-----	87	-----	90	-----
Department of Agriculture:						
Commodity Credit Corporation.....	294	-----	265	-----	288	-----
Rural Electrification Administration.....	4,506	-----	4,785	-----	5,146	-----
Farmers Home Administration.....	2,229	1,636	2,129	2,505	2,123	3,260
Department of Commerce:						
Economic Development Administration.....	191	11	244	17	309	26
Maritime Administration.....	101	562	93	669	85	796
Department of Health, Education, and Welfare.....	164	-----	236	476	320	641
Department of Housing and Urban Development:						
Federal National Mortgage Association.....	7,403	-----	10,421	-----	11,527	-----
Federal Housing Administration.....	635	54,197	699	56,538	812	60,361
Public housing loans.....	68	5,772	88	6,394	73	7,299
College housing loans.....	2,606	-----	2,923	-----	3,180	-----
Urban renewal loans.....	286	1,921	304	2,271	335	2,609
Housing for the elderly loans.....	225	-----	314	-----	412	-----
Public facility loans.....	269	-----	310	-----	360	-----
Department of the Interior.....	170	12	192	16	203	25
General Services Administration.....	174	-----	128	45	87	25
Veterans Administration:						
Housing loans and guarantees.....	2,203	31,537	2,515	33,203	2,878	35,151
Insurance policy loans.....	756	-----	814	-----	878	-----
District of Columbia.....	180	-----	197	-----	261	-----
Export-Import Bank.....	4,151	1,790	4,868	1,904	5,543	2,727
Farm Credit Administration:						
Banks for cooperatives.....	1,302	-----	1,551	-----	1,790	-----
Federal intermediate credit banks.....	3,547	-----	4,047	-----	4,580	-----
Federal Home Loan Bank Board.....	149	-----	141	-----	121	-----
Small Business Administration.....	1,373	355	1,486	515	1,588	703
Other agencies or programs.....	88	232	85	203	81	188
Purchase of obligations of federally sponsored enterprises.....	882	-----	882	-----	-----	-----
Total, loan account.....	34,026	98,024	39,804	104,756	43,070	113,811
Grand total.....	47,057	99,500	54,531	107,071	59,100	117,138

¹ All 1969 transactions of the Foreign military sales fund are shown in a Treasury liquidating account.

INTEREST RATES AND MATURITIES

Two of the major ways in which Federal credit programs help achieve program objectives are by providing more favorable interest rates or maturities than many borrowers can obtain from other sources. Table E-4 summarizes the current range of interest rates charged by the various major credit programs on direct loans (or prevailing on insured or guaranteed loans) and the customary maturities for both direct and insured and guaranteed loans. These terms are on newly committed loans by currently active programs, and do not necessarily correspond to those on outstanding loans, or on loans covered by commitments made in earlier years.

Interest rates charged on direct loans vary both among the various Federal credit agencies and sometimes among the various types of loans made by a single agency. Many of the differences in rates reflect mainly differences in the cost of providing the loan (including the cost of borrowing the necessary funds), of administering the several types of loans and of incurring the varying degrees of risk of probable loss. In many cases, the rate charged is governed by statutory limits or formulas. Frequently, these are intended to assure loans at rates below those prevailing in the private market or below the cost to the Government, in order to provide special assistance to particular groups of borrowers as a method of accomplishing Federal program objectives. In some cases, the rates charged reflect mainly Government borrowing costs in earlier periods, rather than current market yields of Government obligations.

Interest rates charged on insured and guaranteed loans tend to correspond more closely to market rates of interest on comparable loans by private lenders—allowing for the reduction or removal of the normal private credit risk. In a few cases, however, interest rates on insured loans are set below the market rate and a secondary market is provided to assure the willingness of the private lender to originate the loans. The Federal Housing Administration, for example, was authorized in the Housing Act of 1961 to insure certain types of loans to finance moderate-income housing at rates well below those prevailing in the private market (currently 3%), and the Federal National Mortgage Association purchases all of such mortgages. In other cases, the Federal agency pays part of the interest costs necessary to obtain private financing, for example, for insured student loans made by private lenders under the Higher Education Act of 1965.

Maturities, both on direct and on insured or guaranteed loans, often are substantially more liberal than on private loans of similar types. Private lenders are often limited by law or supervisory policy to shorter maturities. When a Federal agency insures or guarantees the loans, however, these limitations customarily do not apply. Lenders can, safely, extend their loan maturities and borrowers can take advantage of lower periodic installments to acquire assets yielding income or tangible benefits over a long period of years.

Table E-4. INTEREST RATES AND MATURITIES FOR MAJOR ACTIVE CREDIT PROGRAMS CLASSIFIED BY AGENCY OR PROGRAM, DECEMBER 1967

Agency or program	Direct loans		Guaranteed and insured loans	
	Interest rate (percent)	Maturity (years)	Interest rate (percent)	Maturity (years)
EXPENDITURE ACCOUNT				
Funds appropriated to the President:				
Military assistance.....	0-6	3-10	3½-6¼	4-10
Economic assistance.....	¾-5¾	5-40	6-7½	5-25
Department of Agriculture: Commodity Credit Corporation.....	1¾	1-11	3½	½-1
Department of Health, Education, and Welfare.....	0-5½	(²)		
LOAN ACCOUNT				
Office of Economic Opportunity.....	4½	15-30		
Department of Agriculture:				
Commodity Credit Corporation.....	4-7	½-5		
Rural Electrification Administration.....	2	35		
Farmers Home Administration.....	3-5	1-50	4-6½	33-40
Department of Commerce:				
Economic Development Administration.....	4¼-4¾	5-40	6-8	5-10
Maritime Administration.....	6	9-25	6	25
Department of Health, Education, and Welfare.....	3-6	0-40	6	(²)
Department of Housing and Urban Development:				
Federal National Mortgage Association.....	3-6	25-40		
Federal Housing Administration.....	5¼-6	20-40	3-6	20-40
Public housing loans.....	2½-5½	0-40	2½-4¾	½-40
College housing loans.....	3	40-50		
Urban renewal loans.....	2¾-5¼	0-34	2¾-5¼	½-34
Housing for the elderly loans.....	3	30-50		
Public facility loans.....	4½-4½	10-40		
Department of the Interior: (Reclamation loans).....	0-3¾	22-50		
General Services Administration.....	6	1-30		
Veterans Administration:				
Housing loans and guarantees.....	4-6¾	7-30	5¼-6¾	7-30
Insurance policy loans.....	4	(⁴)		
District of Columbia.....	0-5½	0-40		
Export-Import Bank.....	6	1¼-20	6-10	½-7
Farm Credit Administration:				
Banks for cooperatives.....	4¼-6	1-20		
Federal intermediate credit banks.....	4¼-6½	1-7		
Federal Home Loan Bank Board.....	4-7½	1-25		
Small Business Administration.....	3-5½	1-30	3-8	1-30

¹ When commodity loan is repaid by forfeiting collateral, no interest is charged.

² On student loans, maturities begin when student leaves school and exclude periods of military or Peace Corps service.

³ In addition, property improvement loans are insured for 4-5% discount per year (equivalent to over 8% simple interest), and with maturities of 6 months to 7 years.

⁴ Indefinite.

Unlike most other programs, Government outlays on credit programs are largely or wholly repayable with interest, so that the ultimate net cost is normally low. Some programs are fully self-supporting; in most others, income from interest payments or insurance and guarantee fees covers most of the current expenses, and sometimes provides reserves for future losses. But a substantial number of loan programs contain an element of subsidy, e.g., by

lending at more favorable interest rates than the cost of money to the Government and/or at rates inadequate to defray the administrative expenses of the program or to establish an adequate reserve for probable future losses.

The Commission on Budget Concepts has recommended:

(a) "That the full amount of the interest subsidy on loans compared to Treasury borrowing costs be reflected and specifically disclosed in the expenditure account of the budget, and furthermore, that it be measured on a capitalized basis at the time the loans are made"; and

(b) "That effective measures be developed to reflect (in the expenditure rather than the loan account of the budget) the further subsidy involved in the fact that Federal loans have a larger element of risk than Treasury borrowing. This should be done by creation of allowances for losses and making appropriate credits to those allowances and charges to expense as new loans are extended."

As the Commission recognized, these recommendations will require extensive further study and consultation to develop the information and methods necessary to place them in force. While it is not possible in this budget to present reliable data on the amounts of "subsidy" involved, a preliminary review indicates that of the roughly \$20 billion in new commitments for loans estimated for the fiscal year 1968 by loan programs in the loan account, three-fourths are being made at interest rates of 5% or higher. However, the great bulk of the estimated new commitments of \$3.4 billion in direct loan commitments by programs in the expenditure account are made at lower rates of interest and/or with terms which give the borrower considerably greater option on the timing and extent of interest and/or principal payments.

GOVERNMENT-SPONSORED CREDIT PROGRAMS

Three major groups of Government-sponsored, privately owned institutions administer credit programs. The operations of the Federal land banks and of the Federal home loan banks are not reflected in the budget totals, but detailed schedules and explanatory statements are printed as annexed budgets in Part III of the Appendix. The operations of the Federal Reserve banks have no direct effect on

Table E-5. OUTSTANDING LOANS FOR MAJOR GOVERNMENT-SPONSORED CREDIT PROGRAMS (in millions of dollars)

Agency	Outstanding at end of—			
	1966 actual	1967 actual	1968 estimate	1969 estimate
Farm Credit Administration: Federal land banks . . .	4,725	5,304	6,069	6,860
Federal Home Loan Bank Board: Federal home loan banks	6,783	4,302	4,600	5,600
Federal Reserve, Board of Governors: Federal Reserve banks	530	204	(¹)	(¹)
Total	12,038	9,810		

¹ Estimates are not available.

budget totals, but payments of excess Federal Reserve profits are regularly made to the Treasury and these will continue to be treated as budget receipts in line with the recommendations of the Commission on Budget Concepts.

The Federal land banks anticipate a continued rapid expansion, amounting to \$2.1 billion over the 3-year period, in outstanding loans made through the nearly 700 Federal land bank associations. The Federal home loan banks, after the rapid repayment of advances during 1967, now expect a net expansion of \$1.3 billion in outstanding advances over the next 2 years. Outstanding discounts, advances, and acceptances of the Federal Reserve banks declined by \$0.3 billion during 1967.

CERTIFICATES OF PARTICIPATION IN FEDERAL LOANS

For several years the Export-Import Bank and the Federal National Mortgage Association, as trustee for five departments and agencies, have been pooling blocks of direct loans and selling certificates of participation in such pools. Receipts from these sales not only have provided private financing for the specific programs involved, but also under previous budget concepts have been treated as offsets to budget expenditures, comparable to the proceeds from direct sales of individual loans.

Table E-6. SALES AND RETIREMENTS OF CERTIFICATES OF PARTICIPATION IN FEDERAL LOANS (in millions of dollars)

Agency or program	1967 actual		1968 estimate		1969 estimate	
	Sales	Retire-ments	Sales	Retire-ments	Sales	Retire-ments
Department of Agriculture: Farmers Home Administration.....	600	-----	675	-----	500	180
Department of Health, Education, and Welfare:						
Office of Education.....	100	-----	100	-----	-----	-----
Public Health Service.....	-----	-----	15	-----	-----	-----
Department of Housing and Urban Development:						
Federal National Mortgage Association..	740	49	605	49	1,205	140
College housing loans.....	600	-----	1,385	-----	500	13
Housing for the elderly loans.....	-----	-----	60	-----	65	-----
Public facility loans.....	80	-----	80	-----	80	2
Veterans Administration.....	260	61	765	61	600	82
Small Business Administration.....	520	70	315	70	200	213
Subtotal, trusts administered by FNMA.....	2,900	180	4,000	180	3,150	630
Export-Import Bank.....	1,329	550	1,300	435	850	242
Total.....	4,229	730	5,300	615	4,000	872

In this budget, in accordance with the recommendations of the Commission on Budget Concepts, sales of participations are treated as means of financing the loan portfolio, i.e., agency borrowing, rather than sale of assets. Table E-6 summarizes the trends in sales and retirements for the six departments and agencies involved.

SUMMARY OF LEGISLATION AUTHORIZING NEW AND BROADENED
FEDERAL CREDIT PROGRAMS

The following summary lists all legislation authorizing new Federal credit programs or revising existing programs in major respects enacted during the last session of Congress. It excludes simple extensions in expiring laws and increases in funds for continuing programs.

I. Department of State—Agency for International Development and
Department of Defense

A. Foreign Assistance Act of 1967—Public Law 90-137

(1) Revises interest rates for Development Loan Fund and Alliance for Progress loans, and criteria for DLF loans; (2) revises standards for investment guarantees and basis for determining interest rates, (3) transfers the military sales fund at the end of the fiscal year 1968 from the Department of Defense to the Treasury Department to discharge outstanding liabilities and obligations arising out of previous credit sales agreements; and (4) limits guaranteed military sales credit extended in 1968 and terminates authorities for sales and guarantees as of June 30, 1968.

II. District of Columbia

A. District of Columbia Federal Payment Authorization and
Borrowing Authority Act of 1967—Public Law 90-120

Provides broader and more flexible formula to govern Federal loan authorization to the D.C. General Fund (capital outlay).

B. Amendments to the Act of June 12, 1960—Public Law 90-84

Forgives half of outstanding debt on the Dulles Interceptor sewer line.

III. Farm Credit Administration

Amendments to the Federal Farm Loan Act and the Farm Credit
Act of 1933—Public Law 90-204.

Removes statutory interest ceiling on loans made by Federal land banks and banks for cooperatives, and makes related adjustments in other interest rates.

IV. Small Business Administration and Office of Economic Opportunity

A. Small Business Act Amendments of 1967 and Small Business
Investment Act Amendments of 1967—Public Law 90-104

(1) Increases maximum maturity of business loans for construction purposes to 15 years, and (2) liberalizes authority to purchase debentures of small business investment companies and establishes new interest formula on such debentures.

B. Economic Opportunity Amendments of 1967—Public Law
90-222

Revises standards for SBA loans to provide employment and investment incentives to small businesses in areas with high proportions of unemployed or low-income individuals or businesses owned by low-income individuals.

V. Appalachian Regional Commission

A. Appalachian Regional Development Act Amendments of 1967—Public Law 90-103

Authorizes grants and loans with flexible interest and repayment requirements for expenses of planning and obtaining insured loans for low and moderate income housing construction in growth areas of Appalachian region.

SPECIAL ANALYSIS F

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

Recent substantial increases in civilian employment in the executive branch are attributable chiefly to support for Vietnam operations and to a large increase in mail volume. Because of the expected near stabilization of Vietnam defense requirements, the rise in civilian employees in fiscal 1969 is estimated to be substantially less than in 1968.

FULL-TIME PERMANENT CIVILIAN EMPLOYMENT

Full-time permanent civilian employment is estimated to reach 2,687,500 by the end of 1969. Nearly one-half of these employees will work in the Defense Department, another one-fifth in the Post Office, and about 6% in the Veterans Administration. Thus, these three agencies account for nearly three-quarters of all permanent full-time employment in the executive branch.

Table F-1 outlines the estimated changes in civilian permanent full-time employment between 1968 and 1969. Of the total anticipated increase of 46,000, over 39% is for the Post Office to service a 3.8% increase in mail volume and a further substantial rise in the number of mailing addresses. Another 6%, or 3,000 employees, is for the Department of Defense to support operations in Vietnam.

The remaining increase is for providing a larger number of public services to a growing population and expanding economy. Ten agencies account for the bulk of these added employees:

(1) The Treasury Department, up 3,500, as the Internal Revenue Service will require an additional 2,700 persons to stay abreast of 112 million tax returns, up 3 million in 1969, and the Bureau of Customs expects a 7% increase in formal cargo entries.

(2) The Department of Health, Education, and Welfare, up 3,400, mainly because the number of claims processed for old-age and survivors insurance is expected to rise, and bills and claims received under the supplementary medical insurance plan are expected to increase by 3 million.

(3) The Department of the Interior, up 2,400, chiefly for teachers to educate Indians on reservations, for personnel to continue building and to operate new power facilities initiated in prior years, for work on water pollution control (including the staffing of new laboratories), and for accommodating a 9% increase in visitors to the National Parks.

(4) The Department of Transportation, up 1,900, largely for additional workload in the Federal Aviation Administration associated with increased aviation activity, illustrated by a 15% increase in landings and takeoffs at airports with FAA towers.

(5) The Veterans Administration, up 1,900, primarily to enlarge and improve hospital services and give better medical care.

Table F-1. SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH

Agency	As of June			Increase, 1969 over 1968
	1967 actual	1968 estimate	1969 estimate	
Department of Defense, Military and military assistance.....	1, 193, 657	1, 220, 500	1, 223, 500	3, 000
Post Office Department.....	528, 254	550, 600	568, 400	17, 800
Subtotal.....	1, 721, 911	1, 771, 100	1, 791, 900	20, 800
Department of Agriculture.....	85, 723	85, 800	86, 300	500
Department of Commerce.....	25, 900	26, 200	27, 000	800
Department of Defense, Civil.....	31, 980	32, 200	32, 600	400
Department of Health, Education, and Welfare.....	97, 792	105, 400	108, 800	3, 400
Department of Housing and Urban Development.....	14, 250	14, 800	16, 200	1, 400
Department of the Interior.....	60, 606	61, 100	63, 500	2, 400
Department of Justice.....	33, 176	33, 650	34, 200	550
Department of Labor.....	9, 461	9, 700	10, 700	1, 000
Department of State.....	26, 849	26, 900	27, 000	100
Agency for International Development.....	16, 713	17, 600	18, 100	500
Peace Corps.....	1, 240	1, 400	1, 600	200
Department of Transportation.....	55, 187	57, 700	59, 600	1, 900
Treasury Department.....	81, 591	82, 000	85, 500	3, 500
Atomic Energy Commission.....	7, 013	7, 150	7, 300	150
General Services Administration.....	37, 117	38, 300	39, 700	1, 400
National Aeronautics and Space Administration.....	33, 726	32, 400	32, 600	200
Veterans Administration.....	150, 225	152, 100	154, 000	1, 900
Other agencies:				
Selective Service System.....	7, 085	7, 200	6, 900	-300
Small Business Administration.....	4, 142	4, 300	4, 700	400
Tennessee Valley Authority.....	11, 903	12, 350	12, 700	350
The Panama Canal.....	14, 571	14, 950	15, 000	50
United States Information Agency.....	11, 686	11, 650	11, 700	50
Miscellaneous agencies ¹	32, 204	33, 550	35, 100	1, 550
Subtotal.....	850, 140	868, 400	890, 800	22, 400
Allowance for contingencies.....		2, 400	4, 800	2, 400
Total.....	2, 572, 051	2, 641, 900	2, 687, 500	45, 600

¹ Excludes member-employees of the Soldiers' Home.

(6) The Department of Housing and Urban Development, up 1,400, mainly covering an anticipated growth of 100,000 FHA mortgage insurance applications, and the new or expanded activities in the Model Cities, Public Housing, and Urban Renewal programs.

(7) The General Services Administration, up 1,400, mostly to handle the increased volume of supplies required for support of military operations in Southeast Asia, and for the operation and maintenance of 3 million square feet of new Federal buildings, construction of which will have been completed.

(8) The Labor Department, up 1,000, to administer an expanded Federal manpower program including full cost on-the-job training for the disadvantaged, short-term employability training, and support for State and local manpower program planning.

(9) The Commerce Department, up 800, largely for (a) a larger number of overseas commercial exhibitions in 1969 which are expected

to boost sales of American products abroad, (b) a significant increase in weather observations and improved weather forecasting capability, and (c) a 4% increase in the disposition of patent applications.

(10) The Justice Department, up 550, mainly for crime control and civil rights activities of the FBI and the Department's attorneys, and for the expected 7 million additional inspections by the Immigration and Naturalization Service.

TOTAL FEDERAL PERSONNEL

Employees in permanent full-time positions account for nearly 90% of total civilian employment in the executive branch. The remainder consists of part-time and intermittent workers, employed largely in projects of a special, temporary, or seasonal nature.

Total Federal Government employment also includes military personnel in the executive branch and employment in the legislative and judicial branches.

	<i>As of June</i>		
	<i>1967 actual</i>	<i>1968 estimate</i>	<i>1969 estimate</i>
Civilian employment in the executive branch: ¹			
Permanent full-time.....	2,572,051	2,641,900	2,687,500
Other than permanent full-time ²	305,276	289,800	299,200
Military personnel:			
Department of Defense.....	3,374,436	3,487,510	3,474,589
Reimbursable details to other agencies.....	2,075	2,366	2,931
Department of Transportation (Coast Guard).....	36,540	37,321	38,475
Total executive branch personnel.....	6,290,378	6,458,897	6,502,695
Legislative and judicial personnel.....	34,291		
Total.....	6,324,669		

¹ Excludes member-employees of the Soldiers' Home.

² Excludes summer workers under the President's Youth Opportunity Campaign and various merchant seamen on vessels under Federal shipping contracts.

GEOGRAPHICAL DISTRIBUTION OF EMPLOYMENT

Table F-2 presents data on the geographical distribution of Federal employment. Most Federal employees—over 81%—work in the various States. Less than 11% are located in the Washington, D.C. metropolitan area (including nearby Maryland and Virginia). Another 8% are in foreign countries and in U.S. territories and possessions.

PERSONNEL COMPENSATION AND BENEFITS

Estimates of the Federal payroll and related costs are shown in table F-3. Direct compensation includes regular pay, Sunday pay, and special pay for overtime, holiday, and standby time; differentials for nightwork and overseas duty, flight and hazardous duty, etc. Related personnel benefits include the Government's share of Federal retirement and old-age, survivors', and disability insurance costs; employees' life insurance, health insurance and benefits, and similar payments; they also include cost-of-living and quarters allowances, uniform allowances (when paid in cash), and, in the case of the military personnel, they also include allowances for subsistence, reenlistment bonuses, and certain other cash payments.

Table F-2. FEDERAL CIVILIAN EMPLOYMENT BY GEOGRAPHICAL LOCATION (as of June 1967)

Location	Total ¹	Location	Total ¹
Washington, D.C., metropolitan area.....	² 308,712	Oregon.....	22,806
Alabama.....	62,066	Pennsylvania.....	143,588
Alaska.....	14,834	Rhode Island.....	14,924
Arizona.....	24,864	South Carolina.....	29,665
Arkansas.....	16,502	South Dakota.....	9,267
California.....	306,351	Tennessee.....	40,388
Colorado.....	41,380	Texas.....	144,191
Connecticut.....	18,315	Utah.....	41,412
Delaware.....	4,232	Vermont.....	3,454
Florida.....	65,051	Virginia.....	³ 81,162
Georgia.....	75,701	Washington.....	55,764
Hawaii.....	26,859	West Virginia.....	12,663
Idaho.....	7,717	Wisconsin.....	24,299
Illinois.....	113,761	Wyoming.....	4,658
Indiana.....	39,813	Undistributed.....	⁴ -7,714
Iowa.....	17,933		
Kansas.....	21,746	Total United States.....	2,675,458
Kentucky.....	35,784		
Louisiana.....	28,664	Outside United States:	
Maine.....	16,955	Territories and possessions.....	35,728
Maryland.....	³ 59,684	Foreign countries.....	200,432
Massachusetts.....	66,445		
Michigan.....	53,623	Total outside United States.....	236,160
Minnesota.....	29,738	U.S. citizens.....	(58,510)
Mississippi.....	19,822	Foreign nationals.....	⁵ (177,650)
Missouri.....	63,822		
Montana.....	9,682	Total employment.....	2,911,618
Nebraska.....	15,515	Legislative and judicial.....	-34,291
Nevada.....	7,814		
New Hampshire.....	4,596	Total employment executive branch.....	2,877,327
New Jersey.....	66,091	Other than full-time permanent..	-305,276
New Mexico.....	25,399		
New York.....	185,521	Total full-time permanent employment, executive branch.....	2,572,051
North Carolina.....	36,617		
North Dakota.....	7,576		
Ohio.....	100,148		
Oklahoma.....	55,598		

¹ Distribution by State is partially estimated.

² Includes employees of the executive branch and of the legislative and judicial branches.

³ Excludes employment within the Washington, D.C., metropolitan area, which includes the District of Columbia, and the adjacent counties and cities in Maryland and Virginia.

⁴ Includes various merchant seamen on vessels under Federal shipping contracts who are distributed by State of residence and member-employees of the Soldiers' Home.

⁵ Excludes 120,383 foreign nationals working for Department of Defense under contract agreements, or other arrangements with foreign governments which provide for the furnishing of personal services.

The obligations to be incurred for civilian personnel compensation and benefits in 1969 are estimated at \$25 billion.

Some of the personnel are employed by trust funds (such as old-age and survivors insurance) and some are employed by public enterprise funds (such as the Post Office). The cost of these employees, included in Table F-3, amounts to \$7 billion.

Government pay scales for "blue collar" workers have for many years been subject to administrative adjustment to correspond to local prevailing rates in private industry. As wages in private industry advanced, Federal compensation for such workers also increased.

Pay for most other Federal workers has been set by statute. In

December 1967, the Congress enacted pay legislation which authorizes the President, without additional congressional approval, to set salary rates consistent with the standards set forth in the 1962 Salary Reform Act.

Table F-3. **ESTIMATED PERSONNEL COMPENSATION AND BENEFITS**
(In millions of dollars)

Description	1967	1968	1969 ¹
Total civilian personnel costs:			
Direct compensation.....	20,600	22,300	23,150
Personnel benefits.....	1,700	1,850	1,900
Total.....	22,300	24,150	25,050
MEMORANDUM			
Total military personnel costs: ²			
Direct compensation.....	11,750	13,050	13,500
Personnel benefits.....	3,500	3,900	4,000
Total.....	15,250	16,950	17,500

¹ Excludes 1969 budget allowance of \$1,600 million for military and civilian pay increases, to be effective July 1, 1968, under present law.

² Excludes Reserve components.

This legislation is designed to achieve, in three steps, comparability with private industry salary levels by July 1969.

The first step was effective retroactively to October 1967 and provided an increase of 6% for postal employees and an average increase of 4.5% for all others. The second step, which is to be effective in July 1968, provides a 5% increase for postal employees, and an increase for all others equal to one-half of the difference then existing between Government salaries and comparable private salaries for the same type of occupation. The third and final step will achieve full comparability in July 1969. The compensation figures in table F-3 reflect the first step in the series.

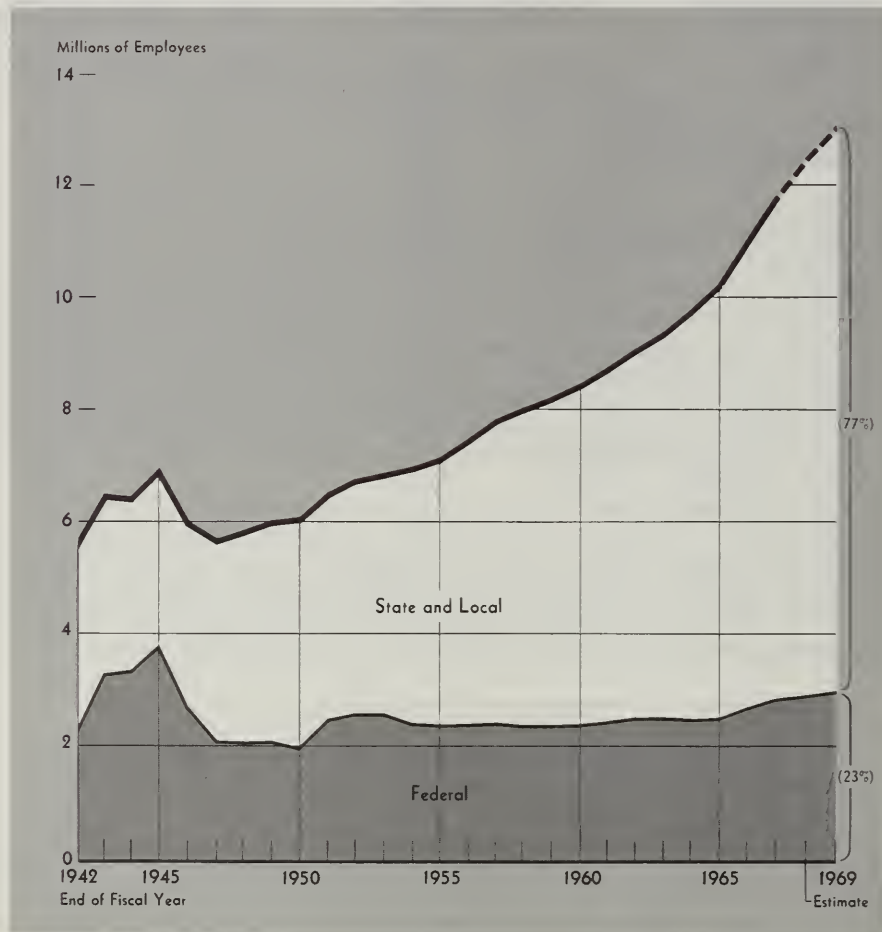
For 3 successive years, 1965-67, there has been no significant Government-wide change in the average grade of Classification Act employees. Apart from legislative changes in pay scales, average compensation for 1967 showed only a slight increase from 1966. This was due mostly to merited within-grade salary advancements and necessary reclassifications of new positions in certain agencies.

TRENDS IN NUMBERS OF EMPLOYEES AND WORKLOAD

The continued growth in population, in national income, and in economic activity, coupled with an increasing concern for the welfare of the poor and the elderly, has brought about a sharp rise in the volume of public services the Government is called upon to render. In 1969, for example, the participants in the food stamp program will rise 8%; establishments with Federal meat inspectors will increase by 78%; the number of pieces of mail delivered by the Post Office will be up 3.8% to 85 billion; the number of small business loans are expected to increase by 21%; complaint applications concerning monopolistic and unfair trade practices are projected to rise by 7%; air

carrier rate and fare cases will rise by 16%; the number of radio and television stations regulated by the Federal Communications Commission will be up 5%; a 93% increase is expected in electric rate filings to the Federal Power Commission; the number of law enforcement investigations and cases completed by the Department of Justice is expected to rise by 5%; there will be a 20% increase in outlays by Federal manpower programs, mostly aimed at the disadvantaged in both urban and rural areas; the number of applications for motor carrier operating authority is expected to increase by 8%; a 7.5% increase is projected in unfair labor practice cases; and beneficiaries of the Social Security system will increase by 4%. The increase in staff needed to carry out the new programs and to accommodate the increasing demands for existing Government services has been estimated on the assumption that existing work methods can be improved with a resulting increase in productivity.

Government Civilian Employment



A historical comparison of total Federal civilian employment in the executive branch (including temporary and part-time employment) with employment by State and local governments and U.S. population for 1942-69 is shown in table F-4.

Table F-4. GOVERNMENT EMPLOYMENT AND POPULATION, 1942-69

Year	Government employment				Population	
	Federal executive branch ¹ (thousands)	State and local governments (thousands)	All governmental units (thousands)	Federal as percent of all governmental units	Total United States (thousands)	Federal employment per 1,000 population
1942.....	2,272	3,310	5,582	40.7	135,361	16.8
1943.....	3,274	3,184	6,458	50.7	137,250	23.9
1944.....	3,304	3,092	6,396	51.7	138,916	23.8
1945.....	3,787	3,104	6,891	55.0	140,468	27.0
1946.....	2,666	3,305	5,971	44.6	141,936	18.8
1947.....	2,082	3,568	5,650	36.8	144,698	14.4
1948.....	2,044	3,776	5,820	35.1	147,208	13.9
1949.....	2,075	3,906	5,981	34.7	149,767	13.9
1950.....	1,934	4,078	6,012	32.2	152,271	12.7
1951.....	2,456	4,031	6,487	37.9	154,878	15.9
1952.....	2,574	4,134	6,708	38.4	157,553	16.3
1953.....	2,532	4,282	6,814	37.2	160,184	15.8
1954.....	2,382	4,552	6,934	34.4	163,026	14.6
1955.....	2,371	4,728	7,099	33.4	165,931	14.3
1956.....	2,372	5,064	7,436	31.9	168,903	14.0
1957.....	2,391	5,380	7,771	30.8	171,984	13.9
1958.....	2,355	5,630	7,985	29.5	174,882	13.5
1959.....	2,355	5,806	8,161	28.9	177,830	13.2
1960.....	² 2,371	6,073	8,444	28.1	180,684	13.1
1961.....	2,407	6,295	8,702	27.7	183,756	13.1
1962.....	2,485	6,533	9,018	27.6	186,656	13.3
1963.....	³ 2,490	6,834	9,324	26.7	189,417	13.1
1964.....	³ 2,469	7,236	9,705	25.4	192,120	12.9
1965.....	2,496	7,700	10,196	24.5	194,592	12.8
1966.....	2,664	8,320	10,984	24.2	196,920	13.5
1967.....	2,877	8,898	11,775	24.4	199,118	14.4
1968 (estimated) ⁴	2,932	-----	-----	23.8	-----	14.6
1969 (estimated) ⁴	2,987	-----	-----	23.0	-----	14.7

¹ Covers total end-of-year employment in full-time permanent, temporary, part-time, and intermittent positions except for summer workers under the President's Youth Opportunity Campaign; member employees of the Soldiers' Home; and various merchant seamen on vessels under Federal shipping contracts:

	1967 actual	1968 estimate	1969 estimate
Youth Opportunity Campaign.....	82,923	83,000	83,000
Merchant seamen.....	7,464	6,500	6,400
Member-employees of the Soldiers' Home.....	250	250	260

² Includes piece-rate census workers employed for the decennial census.

³ Excludes 7,411 project employees in 1963 and 406 project employees in 1964 for the public works acceleration program.

⁴ An official projection of population and of State and local government employment for 1968 and 1969 is not available. The percentages and ratios shown for these years are consistent with a range of reasonable estimates based on recent trends in population and State and local employment.

DEPARTMENT OF AGRICULTURE

Federal Funds

AGRICULTURAL RESEARCH SERVICE

General and special funds:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 ([58 Stat. 742] 7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed [two] four, of which three shall be for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to [58 Stat. 742] 7 U.S.C. 2225, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except greenhouses connecting greenhouses) shall not exceed \$25,000, except for six buildings to be constructed or improved at a cost not to exceed \$55,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for facilities at Beltsville, Maryland: *Provided further*, That [not to exceed \$10,000 of appropriations hereunder shall be available for offsite improvements on property adjoining the boundary of the U.S. Salinity Laboratory, Riverside, California] the limitations on construction contained in this Act shall not apply to a total of \$300,000 for a new animal disease and parasite research facility at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100; [\$136,775,500] \$136,273,100, and in addition not to exceed \$15,000,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88-250 shall be transferred to and merged with this appropriation, of which [\$4,735,000] \$1,000,000 shall remain available until expended for plans, construction, and improvement of facilities without regard to limitations contained herein: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That none of the funds appropriated in this Act shall be used to formulate a budget estimate for fiscal 1969 of more than \$15,000,000 for research to be financed by transfer from funds available under section 32 of the Act of August 24, 1935, and pursuant to Public Law 88-250;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), [\$85,802,000] \$88,647,500, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That not to exceed \$2,000,000 shall remain available until expended for construction of facilities without regard to limitations contained herein: *Provided further*, That the Secretary is authorized to acquire land for plant quarantine control activities presently located at Presidio, Texas: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies

or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, subprofessional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research [program] programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research". (5 U.S.C. 5901; 7 U.S.C. 135-135k, 145, 147a-148a, 148c-150jj, 151-164a, 165a-167, 281-283, 391, 394a-396, 401-404, 421-422a, 424-425, 427, 427i, 428a, 429-430, 433-434, 436-437, 450-450b, 450i, 612c, 1292, 1441 note, 1621-1627, 1651-1656, 1884, 1901, 1904-1905, 2131-2154, 2201-2202, 2208, 2220, 2225, 2228-2229, 2232-2233, 2239, 2250-2250a, 2253-2260, 2262-2263; 10 U.S.C. 2306; 15 U.S.C. 69e; 16 U.S.C. 581-581a, 581f, 590a-590b, 590f, 590k; 18 U.S.C. 1114; 19 U.S.C. 1306a, 1306c; 20 U.S.C. 191-194; 21 U.S.C. 79-82, 86, 88-90, 94-94a, 101-105, 111-114c, 114e-131, 134-134h, 151-158, 342(a), 346-346a; 42 U.S.C. 1476(b)-1476(e), 1483, 1891-1893; 45 U.S.C. 71-74; 46 U.S.C. 466a-466b; 49 U.S.C. 1474(a), 1509(d); 46 Stat. 67; 78 Stat. 939-940; 81 Stat. 250; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-04-1400-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Research:			
(a) Farm research.....	96,037	96,092	100,058
(b) Utilization research and development.....	31,596	32,077	35,075
(c) Nutrition and consumer use research.....	3,708	4,218	4,489
(d) Marketing research.....	8,039	8,747	9,626
(e) Coordination of departmental and interdepartmental activities related to pests and their control.....	127	225	225
(f) Construction of facilities.....	2,240	10,846	24,169
(g) Contingencies.....	-----	115	1,000
Total, research.....	141,747	152,320	174,442
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control.....	29,635	34,763	35,181
(b) Animal disease and pest control.....	43,316	46,890	47,529
(c) Pesticides regulation.....	2,943	3,645	3,937
(d) Construction of facilities.....	-----	-----	505
Total, plant and animal disease and pest control.....	75,894	85,298	87,152
Total, program costs, funded ¹	217,641	237,618	261,594
Changes in selected resources ²	10,783	6,832	-6,923
10 Total obligations.....	228,425	244,450	254,671

¹ Includes capital outlay as follows: 1967, \$17,814 thousand; 1968, \$26,697 thousand; 1969, \$30,509 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967 adjust-ments	1967	1968	1969
Stores.....	739	-----	657	657	657
Unpaid undelivered orders.....	38,110	542	50,561	57,393	50,470
Advances.....	3,066	-----	2,022	2,022	2,022
Total.....	41,915	542	53,240	60,072	53,149

Federal Funds—Continued**AGRICULTURAL RESEARCH SERVICE—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-04-1400-0-1-355	1967 actual	1968 est.	1969 est.
Financing:			
16 Comparative transfers to other accounts.....	-9,050	-2,220	-----
21 Unobligated balance available, start of year.....	-15,591	-25,631	-14,801
24 Unobligated balance available, end of year.....	25,631	14,801	51
25 Unobligated balance lapsing.....	6,278	4,968	-----
New obligational authority.....	235,693	236,368	239,921
New obligational authority:			
Current authorization:			
40 Appropriation.....	208,638	222,578	224,921
41 Transferred to other accounts.....	-----	-34	-----
42 Transferred from other accounts.....	55	275	-----
43 Appropriation (adjusted).....	208,693	222,819	224,921
45 Proposed transfer to other accounts for pay act increases.....	-----	-3,451	-----
50 Reappropriation.....	2,000	2,000	-----
Permanent authorization:			
60 Appropriation.....	0	0	0
62 Transferred from other accounts.....	25,000	15,000	15,000
63 Appropriation (adjusted).....	25,000	15,000	15,000
Relation of obligations to expenditures:			
10 Total obligations.....	228,425	244,450	254,671
70 Receipts and other offsets (items 11-17).....	-9,050	-2,220	-----
71 Obligations affecting expenditures.....	219,375	242,230	254,671
72 Obligated balance, start of year.....	50,313	54,808	63,503
74 Obligated balance, end of year.....	-54,808	-63,503	-70,374
77 Adjustments in expired accounts.....	-498	-----	-----
90 Expenditures.....	214,383	233,535	247,800
Expenditures are distributed as follows:			
01 Out of current authorizations.....	214,383	180,812	190,620
02 Out of prior authorizations.....		52,723	57,180

The service conducts basic and applied research relating to the production, utilization, and marketing of agricultural products, research on nutrition and consumer use, and carries out those control and regulatory programs of the Department which involve enforcement of plant and animal quarantine, the control of diseases and pests of animals and plants, and related work.

1. *Research.*—(a) *Farm research.*—Improved breeding, feeding, and management practices, including management of animal wastes, are developed for farm livestock, poultry, and domestic fur animals. Practical methods are sought for control of diseases, parasites, and insect pests affecting them and to protect them from toxic chemical poisons and other hazards.

Investigations are conducted to improve varieties of food, feed, fiber, and other plants, and to develop new crops; to improve crop-production practices, including methods to control plant diseases and nematodes, and reduce cost of production; and to develop safe chemical, biological, and other methods for control of harmful pests affecting farm production.

Investigations are conducted to improve the management of natural resources, including investigations to improve soil and water management (including salinity and saline soils), irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soil and water to plants, animals, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production.

The research is aimed at the profitable production of an adequate supply of food, feed, fiber, and other agricultural products of desired quality at minimum costs. Attention continues to be given to the production of agricultural products having industrial uses. Increased attention has been given to studies to protect plants, animals, and natural resources from harmful effects of soil, water, and air pollution. Research conducted is also concerned with the application of remote sensing techniques in meeting agricultural problems. The proportion of farm research funds going into basic research is currently estimated at 45% of the total funds for research. This basic research is fundamental to and strengthens the other research efforts.

A net increase is proposed for 1969 which would provide for (1) partial elimination of 1968 program cutbacks under Public Law 90-218, and (2) increases for staffing, equipping, and operating new and expanded research laboratories and watershed research centers. The staffing increases would cover the following areas of research: reducing the cost of producing cotton, engineering research on poultry production and equipment, development of cereal rust resistant varieties, water pollution control on agricultural lands, and technology of watershed conservation and management.

(b) *Utilization research and development.*—Chemical, physical, and biological research is conducted to develop increased industrial uses of farm products, and new and improved foods, feeds, and fabrics; and to develop improved methods for processing agricultural commodities.

The research aim is to expand the demand for farm products by developing new and improved products and economical processes tailored to the requirements of the domestic and foreign markets. The research conducted includes studies to protect food and feed products from harmful micro-organisms and naturally occurring toxins and studies of health-related problems of tobacco. Increased effort is being given to the processing of agricultural commodities to minimize waste formation and to utilize waste products to avoid pollution. A net increase is proposed for 1969 which would provide for (1) partial elimination of 1968 program cutbacks under Public Law 90-218, and (2) increases for research on short staple cotton and for additional staffing, equipping, and operating of the new Southeastern Regional Laboratory at Athens, Ga. The staffing increase would cover the following areas of research: developing detection and processing methods to protect food and feed products from harmful contamination; minimizing poultry, meat, and fruit and vegetable plant processing wastes; improving processed feed products from forages; developing improved poultry, egg, and animal food products; and developing improved fruit and vegetable products.

(c) *Nutrition and consumer use research.*—Studies are made of human nutritional requirements, composition and nutritive value of foods, consumer and food economics,

including problems in household use of textiles and clothing. The research aim is to determine nutrient requirements and how foods can supply these to best assure nutritional well-being of people throughout their lifespan, to provide up-to-date information about food consumption and nutrition of the population, and to develop improved procedures for household preparation, care and preservation of foods which will preserve their nutritional, sanitary, and wholesome quality. The increase proposed for 1969 would be used for initial staffing and equipping the North Central Human Nutrition Research Laboratory at Grand Forks, N. Dak., to expand research on food and nutrition problems.

(d) *Marketing research.*—Practical answers to problems encountered in moving products from farm to consumer are sought through research. For farm products as they pass through marketing channels, efforts are made to develop safe methods to protect against insect attack, find objective methods to determine quality, reduce losses from waste and spoilage, and improve efficiency in physical handling. The work includes research at each stage of marketing, such as assembly points and storage facilities, and of transportation, at terminal or central markets, and at wholesale and retail markets. Research is also concerned with mycotoxins in agricultural products in relation to off-farm handling, conditioning, and storage. A net increase is proposed for 1969 which would provide for (1) partial elimination of 1968 program cutbacks under Public Law 90-218, and (2) increases for research on mechanical classing methods for cotton and for partial staffing, equipping, and operating the new Tree-Fruit and Nut Research Laboratory at Byron, Ga., the Peanut Marketing Laboratory at Dawson, Ga., and the Stored Products Insect Laboratory at Savannah, Ga. The staffing increases would cover the following areas of research: improving marketing efficiency, investigations on mycotoxins (peanuts), and maintaining quality of agricultural commodities in marketing channels.

(e) *Coordination of departmental and interdepartmental activities related to pests and their control.*—The 1969 estimate continues the availability of \$225 thousand for use of the Secretary of Agriculture in collaborating with the Department of Health, Education, and Welfare, Department of Interior, and other agencies of the Federal Government on problems related to use of pesticides. The project provides for coordination in development of measures to protect the public health, producers, and resources.

(f) *Construction of facilities.*—The 1969 estimates include \$1 million for planning, construction, and improvements of facilities. Funds totaling \$710 thousand are for planning (1) a facility for bluetongue research to be located in one of the Western States, (2) a fruitfly laboratory in the Hawaiian Islands, and (3) additional facilities at the Plum Island Animal Disease Laboratory, N.Y. Construction and improvement funds totaling \$290 thousand are included to provide for the control and abatement of air pollution in existing facilities, in accordance with Executive Order 11282. These funds would be used for the conversion of the Agricultural Research Center central heating plant from coal-fired to a gas-fired automatic operation, Beltsville, Md., and construction of a central incinerator at the Animal Husbandry Meat Laboratory, Beltsville, Md. The proposed increase is offset by nonrecurring amounts totaling \$4,350 thousand

which were provided for planning and construction of facilities in 1968.

(g) *Contingencies.*—Beginning in 1962, \$1 million is made available each year to meet urgent research needs that develop unexpectedly during the year, when such needs cannot be met by redirection of resources from other projects.

2. *Plant and animal disease and pest control.*—(a) *Plant disease and pest control.*—Provision is made (1) through port-of-entry inspection to exclude from this country destructive insects, plant diseases, nematodes, and other pests that cause great damage to agricultural crops in other parts of the world; (2) to cooperate with States in eradicating or preventing spread of crop pests that become established in this country; and (3) to assist States in suppressing incipient and emergency outbreaks of crop pests when and where they occur. The 1969 estimates propose an increase for plant quarantine inspection at ports of entry because of increased travel and shipping, including funds to maintain Federal inspection activities in the State of California which were initiated during fiscal year 1968. This proposed increase is more than offset by a proposed decrease of \$2.5 million in the imported fire ant program.

The level of activities for plant pest control is represented by the following selected examples (in thousands):

	1965 actual	1966 actual	1967 actual	1968 estimate	1969 target
Acres treated:					
Japanese beetle.....	23	28	28	50	50
Grasshopper.....	899	1,583	1,133	1,250	1,250
Cereal leaf beetle.....	416	1,627	196	250	250
Boll weevil.....	1,164	1,643	1,110	1,000	1,000
Gypsy moth.....	57	95	176	170	170
Acres surveyed: Gypsy moth.....	27,106	22,468	11,297	25,534	25,534
Sterile flies released: Mexican fruit fly.....	5,779	10,495	21,750	20,000	20,000

The level of activities for plant quarantine inspection at ports of entry is given below (in thousands):

	1965 actual	1966 actual	1967 actual
Plant import inspection:			
Airplanes.....	179	203	233
Vessels.....	61	64	65
Vehicles from Mexico.....	29,857	32,022	33,783
Baggage, pieces.....	36,602	42,293	48,260
Interceptions of unauthorized plant materials.....	446	523	588

(b) *Animal disease and pest control.*—Programs are conducted to exclude communicable diseases of foreign origin from this country, to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics, to control and eradicate livestock diseases, and the humane care and handling of certain laboratory animals. The 1969 estimates propose increases for enforcing a new regulation on interstate transmission of salmonella, strengthening activities under the Virus-Serum-Toxin Act, and more adequate animal inspection and quarantine at ports of entry to reduce the hazard of introduction of foreign diseases. These proposed increases are offset by a proposed decrease of \$403 thousand in the hog cholera program.

The level of protective activities for animal diseases and pest control is indicated by the selected examples in the following table. Numbers are in thousands except for examples given under Veterinary Biologics which are in actual lots tested or found unsatisfactory.

Federal Funds—Continued**AGRICULTURAL RESEARCH SERVICE—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued**

	1965 actual	1966 actual	1967 actual
Sheep inspected for scabies.....	21,081	20,011	13,745
Scabies infected sheep found.....	20	8	0.5
Cattle inspected for scabies.....	18,389	22,510	24,362
Scabies infected cattle found.....	1	40	
Cattle tested for tuberculosis.....	7,140	6,918	6,012
Tuberculosis reactors found.....	6	5	3
Herds tested for brucellosis:			
Blood tests.....	1,824	2,215	426
(1967 represents complete herds tested, excludes partial herds)			
Milk ring tests.....	1,835	1,766	1,630
Brucellosis reactors found.....	129	121	147
Animals inspected at public stockyards.....	51,854	47,840	45,793
Diseased animals received or found.....	502	450	405
Veterinary biologics:			
Serials potency or sterility tested (lots).....	4,162	6,845	7,549
Serials found unsatisfactory for potency or sterility (lots).....	246	293	255

The level of activities for animal inspections and quarantine is given below (in thousands):

	1965 actual	1966 actual	1967 actual
Animal import inspection:			
All animals.....	705	1,393	938
Import animal byproducts:			
Wool, bones, glands, etc. (pounds).....	1,031,480	975,791	1,121,879
Hides and skins (pounds).....	140,066	168,600	112,887

Through fiscal year 1969, the level of activities for animal disease and pest control may be shown by the following selected examples.

	1965 actual	1966 actual	1967 actual	1968 estimate	1969 target
Brucellosis:					
Certified free counties.....	470	679	862	1,126	1,479
Certified free States, plus Puerto Rico and Virgin Islands.....	8	10	11	18	24
Total certified counties (modified certified and free).....	2,734	2,814	2,867	2,971	3,054
Total certified States, plus Puerto Rico and Virgin Islands (modified certified and free).....	39	40	41	46	49
Hog cholera:					
States in final eradication phase.....	12	15	21	40	35
Hog cholera free states.....	1	5	7	10	15
Screwworm:					
Sterile flies released (millions).....	4,557	5,349	6,521	5,980	5,500
Cases in United States, north of barrier.....	344	234	331	335	300
Total cases in United States (includes north of barrier).....	632	999	1,668	1,100	1,050
Cases in Mexican portion of barrier.....	5,390	4,804	8,434	8,500	8,500
Ticks (cattle fever ticks): Cattle inspected (millions).....	1.9	1.7	1.7	1.6	1.6
Salmonella: States with cooperative rendering plant programs.....	0	0	21	41	45
Veterinary biologics: Serials produced.....	13,550	14,397	13,205	14,679	14,822

(c) *Pesticides regulation.*—This activity is concerned with administration of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and related provisions of the Federal Food, Drug, and Cosmetic Act. The 1969 estimates propose an increase for strengthening registration and enforcement activities under the act.

The level of activities for pesticide regulation is indicated by the selected examples in the following table:

	1965 actual	1966 actual	1967 actual	1968 estimate	1969 target
Pesticide products sampled.....	2,231	3,498	5,154	6,000	6,000
Product registration:					
New registrations.....	3,974	5,252	4,754	5,000	5,000
Amended registrations.....	8,073	9,499	15,664	12,500	18,000
Registrations cancelled.....	2,185	3,417	10,691	2,000	2,000
Total registered end of period.....	60,933	62,768	56,831	60,000	63,000
Label reviews.....	33,650	36,014	47,318	55,000	58,000

(d) *Construction of facilities.*—The 1969 estimates include funds for construction of animal quarantine facilities at a site to be selected in the New York-New Jersey port and airport area.

Object Classification (in thousands of dollars)

Identification code 05-04-1400-0-1-355	1967 actual	1968 est.	1969 est.
AGRICULTURAL RESEARCH SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	118,774	128,649	134,033
11.3 Positions other than permanent.....	6,463	6,733	6,860
11.5 Other personnel compensation.....	1,644	1,739	1,765
Total personnel compensation.....	126,881	137,121	142,658
12.0 Personnel benefits.....	9,954	10,928	11,480
13.0 Benefits for former personnel.....	15		
21.0 Travel and transportation of persons.....	4,827	5,111	5,243
22.0 Transportation of things.....	867	928	1,032
23.0 Rent, communications, and utilities.....	4,900	6,076	6,223
24.0 Printing and reproduction.....	1,054	1,192	1,217
25.1 Other services.....	24,351	18,458	19,299
25.2 Services of other agencies.....	8,891	9,296	9,441
26.0 Supplies and materials.....	16,611	17,603	17,577
31.0 Equipment.....	11,415	11,974	13,779
32.0 Lands and structures.....	3,642	3,251	3,499
41.0 Grants, subsidies, and contributions:			
Grants for research.....	3,114	2,446	3,446
Payment to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease.....	41	35	35
42.0 Insurance claims and indemnities.....	14		
Indemnities:			
Tuberculosis.....	116	175	175
Brucellosis.....	1,490	1,300	1,300
Scrapie of sheep.....	51	175	175
Hog cholera.....	422	1,027	720
Claims—Federal Tort Claims Act.....	58		
Subtotal.....	218,714	227,096	237,299
95.0 Quarters and subsistence charges.....	—102	—101	—101
Total obligations, Agricultural Research Service.....	218,612	226,995	237,198
ALLOTMENT AND ALLOCATION ACCOUNTS			
11.1 Personnel compensation: Permanent positions.....	15	20	20
12.0 Personnel benefits.....	1	1	1
21.0 Travel and transportation of persons.....	2	65	11
23.0 Rent, communications, and utilities.....	1	1	1
24.0 Printing and reproduction.....	43	153	82
25.1 Other services.....	806	1,844	1,403
25.2 Services of other agencies.....	36	102	102
26.0 Supplies and materials.....	2	1	1
32.0 Lands and structures.....	8,907	15,268	15,852
Total obligations, allotment and allocation accounts.....	9,813	17,455	17,473
99.0 Total obligations.....	228,425	244,450	254,671
Total obligations are distributed as follows:			
Agricultural Research Service.....	218,612	226,995	237,198
Office of Information.....	37	38	38
Office of the Secretary.....	38	147	147
General Services Administration.....	9,738	17,270	17,288

Personnel Summary

AGRICULTURAL RESEARCH
SERVICE

Total number of permanent positions.....	15,250	15,938	16,306
Full-time equivalent of other positions.....	1,393	1,412	1,422
Average number of all employees.....	15,320	16,038	16,444
Average GS grade.....	8.3	8.4	8.4
Average GS salary.....	\$8,992	\$9,403	\$9,404
Average salary of ungraded positions.....	\$5,524	\$5,731	\$5,747

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	2	2	2
Average number of all employees.....	2	2	2
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$8,531	\$9,056	\$9,177

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104(b)(1) and for agricultural and forestry research and other functions related thereto authorized by section 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)(1), (3)), to remain available until expended, **[\$8,500,000]** \$12,700,000; and in addition, the June 30, 1968 unexpended balance of funds appropriated to the President in the Supplemental Appropriation Act, 1959 (Public Law 85-766, approved August 27, 1958) under the heading "Translation of publications and scientific cooperation" shall be merged with this appropriation: *Provided*, That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (**[58 Stat. 742]** 7 U.S.C. 2225), as amended by 5 U.S.C. 3109. (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-04-1404-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Market development research (sec. 104(b)(1)).....	2,478	2,400	2,500
2. Agricultural and forestry research (sec. 104(b)(3)).....	4,805	5,200	6,300
3. Translation and dissemination of scientific publications (sec. 104(b)(3))..	31	85	175
Total program costs, funded ¹ ...	7,314	7,685	8,975
Change in selected resources ²	2,260	1,495	4,066
10 Total obligations.....	9,574	9,180	13,041
Financing:			
21 Unobligated balance available, start of year	-6,095	-1,021	-341
24 Unobligated balance available, end of year	1,021	341	-----
40 New obligational authority (appropriation).....	4,500	8,500	12,700
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	9,574	9,180	13,041
72 Obligated balance, start of year.....	17,198	19,530	22,621
73 Obligated balance transferred.....	-----	486	-----
74 Obligated balance, end of year.....	-19,530	-22,621	-26,750
90 Expenditures.....	7,242	6,575	8,912
Expenditures are distributed as follows:			
01 Out of current authorizations.....	7,242	5,088	6,636
02 Out of prior authorizations.....	-----	1,487	2,276

¹ Includes capital outlay as follows: 1967, \$393 thousand; 1968, \$11 thousand; 1969, \$3 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$16,662 thousand; 1967, \$18,922 thousand; 1968, \$20,417 thousand; 1969, \$24,483 thousand.

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural

Trade Development and Assistance Act of 1954, as amended, are used by the Department for market development research under subsection 104(b)(1) and for agricultural and forestry research under subsection 104(b)(3) of the act. Work is carried on through agreements, in both basic and applied fields, by research institutions and organizations in foreign countries. In addition to developing scientific information of great importance to American agriculture, the research under this program is making a contribution to the solution of agricultural production and related problems of the countries in which it operates. Accordingly, it represents an important component in achievement of U.S. foreign policy and technical assistance in the food and agricultural area. It serves to preserve and expand existing markets and develop new ones for agricultural commodities including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, and fruit and vegetables. It also provides for research supplementary to domestic programs on farm, forest, marketing, utilization, agricultural economics, and human nutrition problems. Specialized projects provide for the translation and dissemination of foreign language scientific publications and for the acquisition of scientific publications abroad for use in the National Agricultural Library. The appropriation proposed for 1969 will be used to purchase those currencies determined to be excess to the normal requirements of the United States. Total estimated cost in U.S. dollars (charged to regular appropriations) for program direction and supervision of projects in 1969 is \$341 thousand.

Object Classification (in thousands of dollars)

Identification code 05-04-1404-0-1-355	1967 actual	1968 est.	1969 est.
AGRICULTURAL RESEARCH SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	56	55	56
11.5 Other personnel compensation.....	6	6	6
Total personnel compensation....	61	61	62
12.0 Personnel benefits.....	18	17	17
21.0 Travel and transportation of persons..	61	47	60
22.0 Transportation of things.....	8	10	8
23.0 Rent, communications, and utilities...	24	30	30
25.1 Other services.....	31	45	45
25.2 Services of other agencies.....	89	100	101
26.0 Supplies and materials.....	9	12	15
31.0 Equipment.....	8	3	3
41.0 Grants, subsidies, and contributions:			
Grants for research.....	9,165	8,653	12,300
Total obligations, Agricultural Research Service.....	9,474	8,978	12,641
ALLOTMENT AND ALLOCATION ACCOUNTS			
21.0 Travel and transportation of persons..	-----	-----	25
25.1 Other services.....	100	202	295
25.2 Services of other agencies.....	-----	-----	80
Total obligations, allotment and allocation accounts.....	100	202	400
99.0 Total obligations.....	9,574	9,180	13,041
Obligations are distributed as follows:			
Agricultural Research Service.....	9,474	8,978	12,641
National Agricultural Library.....	-----	-----	200
National Science Foundation.....	100	202	200

Personnel Summary

Total number of permanent positions.....	20	20	20
Average number of all employees.....	20	20	20
Average GS grade.....	8.3	8.4	8.4
Average GS salary.....	\$8,992	\$9,403	\$9,404
Average salary of ungraded positions.....	\$5,524	\$5,731	\$5,747

Federal Funds—Continued**AGRICULTURAL RESEARCH SERVICE—Continued****General and special funds—Continued****CONSTRUCTION OF FACILITIES****Program and Financing (in thousands of dollars)**

Identification code 05-04-1405-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Construction of facilities (program costs, funded).....	431	69	-----
Change in selected resources ¹	-371	-41	-----
10 Total obligations.....	60	28	-----
Financing:			
21 Unobligated balance available, start of year.....	-95	-28	-----
24 Unobligated balance available, end of year.....	28	-----	-----
25 Unobligated balance lapsing.....	7	-----	-----
New obligatory authority.....	-----	-----	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	60	28	-----
72 Obligated balance, start of year.....	470	94	-----
74 Obligated balance, end of year.....	-94	-----	-----
90 Expenditures.....	436	122	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	436	122	-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$413 thousand; 1967, \$41 thousand; 1968, \$0.

Funds were appropriated in 1961 and 1962 for construction of facilities for research at a number of locations. With the completion of the laboratory for research on biological control of insects at Columbia, Mo., in May 1967, all the principal facilities authorized by this appropriation have been provided. Minor alterations and construction in fiscal year 1968 should close out this account.

Object Classification (in thousands of dollars)

Identification code 05-04-1405-0-1-355	1967 actual	1968 est.	1969 est.
AGRICULTURAL RESEARCH SERVICE			
31.0 Equipment.....	2	7	-----
32.0 Lands and structures.....	56	5	-----
Total obligations, Agricultural Research Service.....	58	12	-----
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25.1 Other services.....	1	-----	-----
32.0 Lands and structures.....	1	16	-----
Total obligations, General Services Administration.....	2	16	-----
99.0 Total obligations.....	60	28	-----

ANIMAL QUARANTINE STATION**Program and Financing (in thousands of dollars)**

Identification code 05-04-5222-0-2-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Construction of facilities (costs—obligations).....	-----	200	327

Financing:

60 New obligatory authority (appropriation) (permanent, indefinite, special fund).....	200	327
Relation of obligations to expenditures:		
71 Total obligations (affecting expenditures).....	200	327
72 Obligated balance, start of year.....	-----	20
74 Obligated balance, end of year.....	-20	-----
90 Expenditures.....	180	347
Expenditures are distributed as follows:		
01 Out of current authorizations.....	180	327
02 Out of prior authorizations.....	-----	20

Public Law 88-592, approved September 12, 1964, authorized the sale of the Animal Quarantine Station, at Clifton, N.J., to the city of Clifton, and application of the proceeds of sale to the planning and construction costs of a new station in the New York-New Jersey port and airport area. An additional \$2 million is being requested in the 1969 budget estimates under the appropriation, Salaries and expenses, for the remainder of the total cost of \$2,527 thousand for the new station.

Object Classification (in thousands of dollars)

Identification code 05-04-5222-0-2-355	1967 actual	1968 est.	1969 est.
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25.1 Other services.....	-----	200	-----
32.0 Lands and structures.....	-----	-----	327
99.0 Total obligations, General Services Administration.....	-----	200	327

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriation, as follows: Funds Appropriated to the President, "Translation of publications and scientific cooperation." State, U.S. educational exchange program. "United States dollars advanced from foreign governments."

Intragovernmental funds:**WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER****Program and Financing (in thousands of dollars)**

Identification code 05-04-4606-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded; Maintenance and operation of central facilities and services:			
Cost of materials sold or applied....	1,346	1,450	1,450
Other expense.....	3,434	3,524	3,618
Total operating costs, funded....	4,781	4,974	5,068
Capital outlay: Purchase of equipment.....	23	50	50
Total program costs, funded....	4,804	5,024	5,118
Change in selected resources ¹	24	-----	-----
10 Total obligations.....	4,828	5,024	5,118
Financing:			
Receipts and reimbursements from:			
Federal funds:			
Sale of goods and services.....	-4,694	-5,008	-5,102
Other revenue.....	-16	-16	-16
Change in unfilled customers orders.....	-201	-----	-----
Non-Federal sources: Proceeds from sale of equipment.....			
	-2	-----	-----

21.98	Unobligated balance available, start of year.....	-641	-726	-726
24.98	Unobligated balance available, end of year.....	726	726	726
	New obligational authority.....			
	Relation of obligations to expenditures:			
10	Total obligations.....	4,828	5,024	5,118
70	Receipts and other offsets (items 11-17).....	-4,913	-5,024	-5,118
71	Obligations affecting expenditures.....	-86		
72.98	Receivables in excess of obligations, start of year.....	-27	-376	-376
74.98	Receivables in excess of obligations, end of year.....	376	376	376
90	Expenditures.....	264		
	Expenditures are distributed as follows:			
02	Out of prior authorizations.....	264		

¹ Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Stores.....	105	211	211	211
Unpaid undelivered orders.....	461	378	378	378
Total.....	566	589	589	589

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of \$300 thousand appropriated in 1951 and donated assets of \$335 thousand as of June 30, 1967. Earnings are retained to furnish adequate working capital.

Object Classification (in thousands of dollars)

Identification code 05-04-4606-0-4-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	2,223	2,418	2,506
11.3 Positions other than permanent.....	186	166	166
11.5 Other personnel compensation.....	78	75	75
Total personnel compensation.....	2,488	2,659	2,747
12.0 Personnel benefits.....	190	204	210
22.0 Transportation of things.....	3	3	3
23.0 Rent, communications, and utilities.....	551	550	550
24.0 Printing and reproduction.....		1	1
25.1 Other services.....	122	100	100
25.2 Services of other agencies.....	7	7	7
26.0 Supplies and materials.....	1,422	1,450	1,450
31.0 Equipment.....	46	50	50
99.0 Total obligations.....	4,828	5,024	5,118

Personnel Summary

Total number of permanent positions.....	363	382	382
Full-time equivalent of other positions.....	39	37	37
Average number of all employees.....	371	382	388
Average GS grade.....	8.3	8.4	8.4
Average GS salary.....	\$8,992	\$9,403	\$9,404
Average salary of ungraded positions.....	\$5,524	\$5,731	\$5,747

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-04-3914-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Research.....	2,060	2,582	2,463
2. Plant and animal disease and pest control.....	1,283	1,286	1,315
3. Construction of facilities.....	4,130	3,425	990
4. Miscellaneous services to other accounts.....	24	24	23

5. Agency for International Development (Funds appropriated to the President).....	1,153	1,987	2,065
Total program costs, funded ¹.....	8,651	9,304	6,856
Change in selected resources ².....	2,255	-2,931	-990
10 Total obligations.....	10,906	6,373	5,866
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	-9,462	-4,970	-4,436
13 Trust funds.....	-86	-77	-76
14 Non-Federal sources ³	-1,358	-1,326	-1,354
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....	10,906	6,373	5,866
70 Receipts and other offsets (items 11-17).....	-10,906	-6,373	-5,866
71 Obligations affecting expenditures.....			
90 Expenditures.....			

¹ Includes capital outlay as follows: 1967, \$5,651 thousand; 1968, \$729 thousand; 1969, \$341 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$3,602 thousand (1967 adjustments, -\$1,035 thousand); 1967, \$4,822 thousand; 1968, \$1,899 thousand; 1969, \$899 thousand.

³ Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); from payments by Federal and non-Federal agencies for overtime work and travel performed in connection with inspection and quarantine services (5 U.S.C. 576; 7 U.S.C. 394a, 396); from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U.S.C. 590A); and from refunds of terminal leave payments (5 U.S.C. 61(b)).

Object Classification (in thousands of dollars)

Identification code 05-04-3914-0-4-355	1967 actual	1968 est.	1969 est.
AGRICULTURAL RESEARCH SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	2,293	2,453	2,384
11.3 Positions other than permanent.....	72	50	43
11.5 Other personnel compensation.....	951	989	1,039
Total personnel compensation.....	3,316	3,492	3,466
12.0 Personnel benefits.....	183	204	201
21.0 Travel and transportation of persons.....	148	190	171
22.0 Transportation of things.....	85	91	97
23.0 Rent, communications, and utilities.....	112	99	97
24.0 Printing and reproduction.....	19	11	9
25.1 Other services.....	629	871	921
25.2 Services of other agencies.....	108	135	82
26.0 Supplies and materials.....	459	493	485
31.0 Equipment.....	327	311	340
32.0 Lands and structures.....	6	127	
Subtotal.....	5,392	6,024	5,869
95.0 Quarters and subsistence charges.....	-5	-4	-3
Total obligations, Agricultural Research Service.....	5,387	6,020	5,866

ALLOCATION TO GENERAL SERVICES ADMINISTRATION

21.0 Travel and transportation of persons.....	2	3	
25.1 Other services.....	199	59	
32.0 Lands and structures.....	5,318	291	
Total obligations, General Services Administration.....	5,519	353	
99.0 Total obligations.....	10,906	6,373	5,866

Personnel Summary

Total number of permanent positions.....	237	237	221
Full-time equivalent of other positions.....	14	9	7
Average number of all employees.....	249	240	225
Average GS grade.....	8.3	8.4	8.4
Average GS salary.....	\$8,992	\$9,403	\$9,404
Average salary of ungraded positions.....	\$5,524	\$5,731	\$5,747

Federal Funds—Continued**COOPERATIVE STATE RESEARCH SERVICE****General and special funds:****PAYMENTS AND EXPENSES**

For payments to agricultural experiment stations, for grants for cooperative forestry and other research, for facilities, and for other expenses, including \$54,965,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$3,485,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7); \$2,000,000 in addition to funds otherwise available for contracts and grants for scientific research under the Act of August 4, 1965 (7 U.S.C. 450[b]1) of which \$1,000,000 shall be for the special cotton research program and \$400,000 for soybean research; [\$2,000,000] \$1,000,000 for grants for facilities under the Act approved July 22, 1963 (7 U.S.C. 390-390k); \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and [\$353,000] \$419,000, for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742) 7 U.S.C. 2225, and not to exceed \$50,000 for employment under 5 U.S.C. 3109; in all, [\$63,113,000] \$62,179,000. (7 U.S.C. 450b, 2201-2202, 2220, 2250a; 39 U.S.C. 4156; 42 U.S.C. 1891-1893; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-08-1500-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Payments to agricultural experiment stations under the Hatch Act.....	49,763	49,506	53,540
2. Grants for cooperative forestry research.....	2,999	3,370	3,485
3. Contracts and grants for scientific research.....	930	1,947	2,722
4. Grants for facilities.....	408	1,274	2,680
5. Penalty mail.....	310	310	310
6. Federal administration.....	1,502	1,675	1,844
Total program costs, funded ¹	55,912	58,082	64,581
Change in selected resources ²	2,686	876	-2,402
10 Total obligations.....	58,599	58,958	62,179
Financing:			
25 Unobligated balance lapsing.....	177	4,155	-----
40 New obligational authority (appropriation).....	58,776	63,113	62,179
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	58,599	58,958	62,179
72 Obligated balance, start of year.....	6,221	8,384	8,131
74 Obligated balance, end of year.....	-8,384	-8,131	-5,247
77 Adjustments in expired accounts.....	-39	-----	-----
90 Expenditures.....	56,397	59,211	65,063
Expenditures are distributed as follows:			
01 Out of current authorizations.....	51,680	55,133	59,133
02 Out of prior authorizations.....	4,717	4,078	5,930

¹ Includes capital outlay as follows: 1967, \$7 thousand; 1968, \$5 thousand; 1969, \$8 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$3,895 thousand (1967 adjustments, -\$39 thousand); 1967, \$6,542 thousand; 1968, \$7,418 thousand; 1969, \$5,016 thousand.

The Service administers funds for payments and grants to State agricultural experiment stations and other eligible institutions for the support of research in agriculture, the rural home, the rural community and forestry. This administration involves supervision of the funds, and close advisory relations with the State agricultural experiment stations, schools of forestry and other insti-

tutions eligible to receive funds. This agency participates in planning and coordination of research programs among the States and between the States and the U.S. Department of Agriculture.

1. *Payments to agricultural experiment stations under the Hatch Act.*—Grants under the Hatch Act are allocated to agricultural experiment stations of the land-grant colleges in the 50 States and Puerto Rico for agricultural research including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural community.

2. *Grants for cooperative forestry research.*—These grants are allocated to land-grant colleges or agricultural experiment stations in the 50 States and Puerto Rico and other State-supported colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school. The act requires that the Federal funds paid to each institution be matched by funds from non-Federal sources for forestry research.

3. *Contracts and grants for scientific research.*—These funds are for the support of grants on specific research problems at nonprofit institutions of higher education or nonprofit organizations whose primary purpose is the conduct of such research. Funding is on a competitive basis. Every research proposal selected for funding must be evaluated and classified as outstanding and appropriate to the needs of the designated problem area.

4. *Grants for facilities.*—These grants to provide additional facilities for research are allocated to State agricultural experiment stations in the 50 States and Puerto Rico. Assistance is available to the States for construction, acquisition, and remodeling of buildings, laboratories, and other capital facilities which are necessary to more effectively conduct research in agriculture and sciences related thereto. The Federal funds are provided on a matching basis.

5. *Penalty mail.*—Funds to cover the cost of penalty mailings for State agricultural experiment station directors are provided under this appropriation.

6. *Federal administration.*—A coordinating and review staff is maintained to examine research projects and assist State institutions and Federal agencies.

The planned distribution of 1969 payments and grants to the State agricultural experiment stations and other eligible institutions under the above-mentioned programs is as follows (in thousands of dollars):

Payments under the Hatch Act:

Statutory formula.....	42,412
Regional research fund.....	11,128
Subtotal.....	53,540
Grants for cooperative forestry research.....	3,485
Contracts and grants for scientific research.....	2,000
Grants for facilities.....	1,000
Total.....	60,025

Object Classification (in thousands of dollars)

Identification code 05-08-1500-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	1,083	1,223	1,316
11.3 Positions other than permanent.....	19	6	6
11.5 Other personnel compensation.....	10	1	1
Total personnel compensation.....	1,112	1,230	1,323
12.0 Personnel benefits.....	82	93	101
21.0 Travel and transportation of persons.....	115	130	135
22.0 Transportation of things.....	1	1	1
23.0 Rent, communications, and utilities.....	326	334	350
24.0 Printing and reproduction.....	68	68	73

25.1	Other services.....	49	48	50
25.2	Services of other agencies.....	63	62	98
26.0	Supplies and materials.....	12	13	15
31.0	Equipment.....	5	5	8
41.0	Grants, subsidies, and contributions.....	56,767	56,974	60,025
99.0	Total obligations.....	58,599	58,958	62,179

Personnel Summary

Total number of permanent positions.....	98	109	112
Full-time equivalent of other positions.....	5	1	1
Average number of all employees.....	98	103	106
Average GS grade.....	9.3	9.6	9.8
Average GS salary.....	\$11,359	\$12,202	\$12,573

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-08-3975-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Miscellaneous services to other accounts.....	6	-----	-----
2. Agency for International Development (Funds appropriated to the President).....	23	125	243
10 Total program costs, funded—obligations.....	29	125	243
Financing:			
11 Receipts and reimbursements from: Federal funds.....	—29	—125	—243
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	29	125	243
70 Receipts and other offsets (items 11-17).....	—29	—125	—243
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	8	84	173
11.3 Positions other than permanent.....	9	-----	-----
11.5 Other personnel compensation.....	-----	1	24
Total personnel compensation.....	17	85	197
12.0 Personnel benefits.....	1	6	14
21.0 Travel and transportation of persons.....	4	9	8
22.0 Transportation of things.....	2	13	5
25.1 Other services.....	2	-----	-----
25.2 Services of other agencies.....	3	7	19
31.0 Equipment.....	-----	5	-----
99.0 Total obligations.....	29	125	243

Personnel Summary

Total number of permanent positions.....	2	8	8
Average number of all employees.....	1	3	8
Average GS grade.....	9.3	9.6	9.8
Average GS salary.....	\$11,359	\$12,202	\$12,573

EXTENSION SERVICE**General and special funds:****COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES**

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955,

and the Act of October 5, 1962 (7 U.S.C. 341-349), to be distributed under sections 3(b) and 3(c) of the Act, [\$80,347,500] \$77,082,500; payments for such work under section 8 of the Act, \$3,385,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), [\$1,570,000] \$1,450,000; in all, [\$81,917,500] \$81,917,500: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, [\$8,818,500] \$9,333,500.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, [\$3,113,000] \$3,500,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$2,753,000] \$2,878,000. (5 U.S.C. 8147; 39 U.S.C. 4156; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-12-0502-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act.....	76,251	76,432	79,817
(b) Payments and contracts under the Agricultural Marketing Act.....	1,546	1,618	1,493
2. Retirement and employees' compensation costs for extension agents.....	8,278	8,819	9,334
3. Penalty mail.....	3,113	3,299	3,500
4. Federal Extension Service.....	3,118	3,627	3,529
Total program costs, funded ¹	92,306	93,795	97,673
Change in selected resources ²	228	—307	—44
10 Total obligations.....	92,534	93,488	97,629
Financing:			
16 Comparative transfers from other accounts.....	—14	-----	-----
25 Unobligated balance lapsing.....	279	3,114	-----
New obligational authority.....	92,799	96,602	97,629
New obligational authority:			
40 Appropriation.....	92,824	96,602	97,629
41 Transferred to other accounts.....	—25	-----	-----
43 Appropriation (adjusted).....	92,799	96,602	97,629
Relation of obligations to expenditures:			
10 Total obligations.....	92,534	93,488	97,629
70 Receipts and other offsets (items 11-17).....	—14	-----	-----
71 Obligations affecting expenditures.....	92,520	93,488	97,629
72 Obligated balance, start of year.....	1,464	1,421	5,009
74 Obligated balance, end of year.....	—1,421	—5,009	—5,151
77 Adjustments in expired accounts.....	—54	-----	-----
90 Expenditures.....	92,509	89,900	97,487
Expenditures are distributed as follows:			
01 Out of current authorizations.....	91,177	88,528	92,485
02 Out of prior authorizations.....	1,332	1,372	5,002

¹ Includes capital outlay as follows: 1967, \$7 thousand; 1968, \$11 thousand; 1969, \$18 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967 adjust- ments	1967	1968	1969
Unpaid undelivered orders.....	204	-----	408	128	84
Advances.....	83	—54	53	26	26
Total selected resources.....	287	—54	461	154	110

Federal Funds—Continued**EXTENSION SERVICE—Continued****General and special funds—Continued****COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES—Con.**

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, and related subjects. This educational work takes research results, technological advancements, and situation and program facts of the Department of Agriculture, the State agricultural colleges and experiment stations, and incorporates them into a national educational program for action. Its objective is to provide farm people and others with information and assistance upon which they may make social and economic adjustments necessary for an efficient agricultural industry and improved rural homes and rural life.

1. *Payments to States and Puerto Rico.*—Funds appropriated under the Smith-Lever Act for payments to States and Puerto Rico are distributed primarily on the basis of farm and rural population and to a limited degree on the basis of special problems and needs. Funds appropriated under the Agricultural Marketing Act for educational work in marketing are distributed to the States and Puerto Rico on a matching basis under approved projects and on the basis of contracts. Funds are used primarily for the employment of State and County extension workers who work with rural families, marketing concerns, and others by providing advice and assistance in the application of improved methods involved in production, marketing, and family living. They assist local leadership to determine extension programs of work. Work with youth is accomplished largely through 4-H clubs. Funds also provide for Federal program support. Extension agents are paid from Federal, State, and county sources.

The increase of \$3,385 thousand in this item would enable the Extension Service to work intensively with 70,000 additional low income families through the use of Extension program aides. The increase will be distributed on the basis of section 8 of the Smith-Lever Act which allocates on the basis of need rather than formula.

2. *Retirement and employees' compensation costs for extension agents.*—The increase of \$515 thousand proposed is required to meet these costs for cooperative extension agents. The mandatory retirement contribution is authorized under Public Law 854, approved July 31, 1956. The employer's contribution to the Federal retirement fund, to match contribution of these agents, is provided by this Federal appropriation.

3. *Penalty mail.*—Additional funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States in the amount of \$201 thousand are required pursuant to Public Law 90-206.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership, counsel, and assistance to the States and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available resources, evaluation of programs, inservice training for extension personnel, and administrative services. The Federal Extension Service also coordinates the educational activities of other U.S. Department of Agriculture agencies. An increase of \$36 thousand is required to provide for annualization of the pay increase pursuant to Public Law 90-206. An increase of \$4 thousand is required for increased mailing costs pursuant to Public Law 90-206.

Object Classification (in thousands of dollars)

Identification code 05-12-0502-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	2,207	2,368	2,492
11.3 Positions other than permanent.....	50	38	18
11.5 Other personnel compensation.....	5	4	4
11.8 Special personal service payments.....	11	11	11
Total personnel compensation.....	2,273	2,421	2,525
12.0 Personnel benefits.....	8,458	9,007	9,530
21.0 Travel and transportation of persons.....	212	266	266
22.0 Transportation of things.....	43	46	48
23.0 Rent, communications, and utilities.....	3,172	3,363	3,566
24.0 Printing and reproduction.....	89	83	83
25.1 Other services.....	460	266	199
25.2 Services of other agencies.....	67	111	102
26.0 Supplies and materials.....	23	25	25
31.0 Equipment.....	12	18	18
41.0 Grants, subsidies, and contributions.....	77,725	77,882	81,267
99.0 Total obligations.....	92,534	93,488	97,629

Personnel Summary

Total number of permanent positions.....	234	232	232
Full-time equivalent of other positions.....	5	5	3
Average number of all employees.....	212	219	219
Average GS grade.....	9.1	9.1	9.1
Average GS salary.....	\$10,533	\$11,141	\$11,286
Average FC grade.....	6.2	5.9	5.9
Average FC salary.....	\$11,250	\$12,657	\$12,784

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriation, Soil Conservation Service, "Resource conservation and development."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-12-3905-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Cooperation with Bureau of Indian Affairs on extension program with Indians.....	30	31	32
2. Assistance to Agricultural Stabilization and Conservation committees in Alaska.....	—1	-----	-----
3. Cooperation with Department of Defense on extension program work in Rural Defense Information and Education program.....	1,386	1,399	1,400
4. Teaching materials developed and provided State extension services under cooperative agreement on a cost-sharing basis.....	50	99	99
5. Cooperation with the Office of Economic Opportunity on work concerned with the development of opportunities in rural areas.....	36	53	22
6. Agency for International Development (Funds appropriated to the President).....	682	1,737	2,079
7. Miscellaneous services to other accounts.....	9	-----	-----
Total program costs, funded ¹.....	2,192	3,319	3,632
Change in selected resources ²	154	—69	—18
10 Total obligations.....	2,346	3,250	3,614
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	—2,297	—3,150	—3,514
14 Non-Federal sources ³	—49	—100	—100
New obligational authority.....	-----	-----	-----

Relation of obligations to expenditures:			
10 Total obligations.....	2,346	3,250	3,614
70 Receipts and other offsets (items 11-17).....	-2,346	-3,250	-3,614
71 Obligations affecting expenditures.....			
72 Obligated balance, start of year.....	58	58	58
74 Obligated balance, end of year.....	-58	-58	-58
77 Adjustments in expired accounts.....	-13		
90 Expenditures.....	-13		
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	-13		

¹ Includes capital outlay as follows: 1967, \$0; 1968, \$9 thousand; 1969, \$20 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$31 thousand (1966 adjustments, -\$20 thousand); 1967, \$165 thousand; 1968, \$96 thousand; 1969, \$78 thousand.

³ Reimbursements are from cooperating State extension services for teaching materials developed under cooperative agreements and provided on a cost-sharing basis (5 U.S.C. 563; 564).

Object Classification (in thousands of dollars)

Identification code 05-12-3905-0-4-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	584	1,092	1,373
11.3 Positions other than permanent.....	23	17	
11.5 Other personnel compensation.....	18	203	249
11.8 Special personal service payments.....	20	45	45
Total personnel compensation.....	645	1,357	1,667
12.0 Personnel benefits.....	45	89	110
21.0 Travel and transportation of persons.....	173	188	234
22.0 Transportation of things.....	55	106	67
23.0 Rent, communications, and utilities.....	16	32	41
24.0 Printing and reproduction.....	58	145	149
25.1 Other services.....	104	113	117
25.2 Services of other agencies.....	143	88	84
26.0 Supplies and materials.....	11	25	31
31.0 Equipment.....	1	16	23
41.0 Grants, subsidies, and contributions.....	1,095	1,091	1,091
99.0 Total obligations.....	2,346	3,250	3,614

Personnel Summary

Total number of permanent positions.....	68	108	109
Full-time equivalent of other positions.....	2	1	
Average number of all employees.....	53	93	110
Average GS grade.....	9.1	9.1	9.1
Average GS salary.....	\$10,533	\$11,141	\$11,286
Average FC grade.....	6.2	5.9	5.9
Average FC salary.....	\$11,250	\$12,657	\$12,784

FARMER COOPERATIVE SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), [\$1,304,000] \$1,848,000. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-16-0400-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Research and technical assistance for agricultural cooperatives (program costs, funded) ¹	1,221	1,341	1,848

Change in selected resources ²			
	-26		
10 Total obligations.....	1,195	1,341	1,848

Financing:

25 Unobligated balance lapsing.....	9		
New obligational authority.....	1,204	1,341	1,848

New obligational authority:

40 Appropriation.....	1,204	1,304	1,848
46 Proposed transfer from other accounts for civilian pay act increases.....		37	

Relation of obligations to expenditures:

71 Total obligations (affecting expenditures).....	1,195	1,341	1,848
72 Obligated balance, start of year.....	162	143	161
74 Obligated balance, end of year.....	-143	-161	-221
77 Adjustments in expired accounts.....	2		
90 Expenditures.....	1,216	1,323	1,788

Expenditures are distributed as follows:

01 Out of current authorizations.....	1,104	1,160	1,627
02 Out of prior authorizations.....	112	143	161

¹ Includes capital outlay as follows: 1967, \$6 thousand; 1968, \$6 thousand; 1969, \$6 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$101 thousand; (1967 adjustments, \$13 thousand); 1967, \$88 thousand; 1968, \$88 thousand; 1969, \$88 thousand.

Farmer Cooperative Service conducts research, directly advises cooperative leaders and others, promotes cooperative organization and development through other Federal and State agencies, and publishes reports, News for Farmer Cooperatives, and other educational material. This work is aimed (1) to help farmers get better prices for their products and reduce operating expenses, (2) to help rural and small-town residents use cooperatives to develop rural resources, (3) to help these cooperatives expand their services and operate more efficiently, and (4) to help all Americans understand the work of these cooperatives.

Object Classification (in thousands of dollars)

Identification code 05-16-0400-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	873	979	1,300
11.3 Positions other than permanent.....	21	25	25
11.5 Other personnel compensation.....	4	4	4
Total personnel compensation.....	898	1,008	1,329
12.0 Personnel benefits.....	68	77	100
21.0 Travel and transportation of persons.....	35	53	101
22.0 Transportation of things.....	2	4	9
23.0 Rent, communications, and utilities.....	28	28	40
24.0 Printing and reproduction.....	72	65	85
25.1 Other services.....	41	71	106
25.2 Services of other agencies.....	42	26	41
26.0 Supplies and materials.....	6	6	14
31.0 Equipment.....	3	3	23
99.0 Total obligations.....	1,195	1,345	1,848

Personnel Summary

Total number of permanent positions.....	98	100	139
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	84	94	126
Average GS grade.....	9.4	9.6	9.5
Average GS salary.....	\$10,207	\$11,118	\$11,040

Federal Funds—Continued**FARMER COOPERATIVE SERVICE—Continued****Intragovernmental funds:****ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-16-3904-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Research and technical assistance for agricultural cooperatives.....	24	32	32
2. Agency for International Development (Funds appropriated to the President).....	155	181	202
10 Total program costs, funded (obligations).....	179	213	234
Financing:			
11 Receipts and reimbursements from: Federal funds.....	-179	-213	-234
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	179	213	234
70 Receipts and other offsets (items 11-17).....	-179	-213	-234
71 Obligations affecting expenditures.....	-----	-----	-----
72 Obligated balance, start of year.....	8	-----	-----
74 Obligated balance, end of year.....	-----	-----	-----
90 Expenditures.....	8	-----	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	8	-----	-----

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	134	153	175
11.3 Positions other than permanent.....	7	5	-----
11.5 Other personnel compensation.....	1	1	1
Total personnel compensation.....	142	159	176
12.0 Personnel benefits.....	9	12	13
21.0 Travel and transportation of persons.....	10	12	12
22.0 Transportation of things.....	4	7	7
23.0 Rent, communications, and utilities.....	-----	1	2
25.1 Other services.....	1	-----	-----
25.2 Services of other agencies.....	13	22	24
99.0 Total obligations.....	179	213	234

Personnel Summary

Total number of permanent positions.....	7	12	15
Average number of all employees.....	10	12	12
Average GS grade.....	9.4	9.6	9.5
Average GS salary.....	\$10,207	\$11,118	\$11,040

SOIL CONSERVATION SERVICE

The Soil Conservation Service is responsible for various soil and water conservation activities of the Department of Agriculture, including six action programs for which separate appropriations are made, reimbursements from other agencies for technical services performed, trust funds, and miscellaneous accounts involving cooperative agreements with local organizations.

The main purposes of these program operations are to help farmers, ranchers, and other landowners in making needed land use adjustments; to conserve soil, water, and plant resources; to reduce the hazards of floods, sedimentation, and related damages; and to assist in establishing a permanent and economically sound agriculture. Such

soil and water conservation treatments also provide for recreational uses of rural lands and the beautification of rural communities. These activities are conducted in cooperation with Federal and State agencies, conservation districts, and other sponsoring organizations.

The Service provides professional leadership in soil, water, and plant conservation and works directly with locally managed conservation districts and sponsors of watershed projects. Cooperative programs and work plans are designed for the benefit of local people to help them solve problems within their areas.

The Service also furnishes technical services for the agricultural conservation program; the soil and water conservation loans made by the Farmers Home Administration; the State and county rural areas development committees; and other agencies or local groups having soil and water conservation problems. These interrelated program activities are primarily for the conservation, protection, and improvement of land and water resources for the beneficial uses of all people.

General and special funds:**CONSERVATION OPERATIONS**

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, **[\$113,500,000] \$116,313,000: Provided,** That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: **Provided further,** That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: **Provided further,** That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: **Provided further,** That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (**[58 Stat. 742]** 7 U.S.C. 2225), and not to exceed \$5,000 shall be available for employment under 5 U.S.C. 3109: **Provided further,** That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. (7 U.S.C. 1387, 1807, 2201-2202, 2250; 16 U.S.C. 590q-1; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-20-1000-0-1-354	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs:			
Assistance to conservation districts, communities, and other cooperators:			
(a) Soil surveys.....	18,322	18,900	19,150
(b) Technical programing and installation services and snow surveys.....	95,538	96,645	97,730
(c) Operation of plant material centers.....	1,280	1,300	1,320
Total operating costs.....	115,140	116,845	118,200
Unfunded adjustments to total operating costs:			
Depreciation included above.....	-1,786	-1,800	-1,800
Other costs included above not requiring funding.....	-3,157	-3,207	-3,200
Total operating costs, funded....	110,197	111,838	113,200

Capital outlay-----	1,210	3,055	3,113
Total program costs, funded-----	111,407	114,893	116,313
Change in selected resources ¹ -----	-142	-----	-----
10 Total obligations-----	111,265	114,893	116,313
Financing:			
22 Unobligated balance transferred from other accounts-----	-3,080	-----	-----
25 Unobligated balance lapsing-----	1,063	-----	-----
New obligational authority-----	109,248	114,893	116,313
New obligational authority:			
40 Appropriation-----	109,350	113,500	116,313
41 Transferred to other accounts-----	-102	-62	-----
43 Appropriation (adjusted)-----	109,248	113,438	116,313
46 Proposed transfer from other accounts for civilian pay increases-----	-----	1,455	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	111,265	114,893	116,313
72 Obligated balance, start of year-----	5,413	6,050	6,443
74 Obligated balance, end of year-----	-6,050	-6,443	-6,756
77 Adjustments in expired accounts-----	-108	-----	-----
90 Expenditures-----	110,520	114,500	116,000
Expenditures are distributed as follows:			
01 Out of current authorizations-----	105,865	109,250	110,600
02 Out of prior authorizations-----	4,655	5,250	5,400

¹ Selected resources as of June 30 are as follows:

	1966	1967 adjust- ments	1967	1968	1969
Stores-----	192	-----	169	175	175
Unpaid undelivered orders-----	2,372	-108	2,556	2,700	2,750
Accrued annual leave	-12,428	-----	-12,839	-12,989	-13,039
Total selected resources----	-9,864	-108	-10,114	-10,114	-10,114

Assistance to conservation districts, community groups, and other cooperators consists mainly of the following:

(a) Standard soil surveys and investigations, with interpretations and publications, which provide physical land facts needed for local program development, farm and ranch conservation planning, installation of planned practices, and for use by other Federal, State, and local agencies;

MAIN WORKLOAD FACTORS

	1967 actual	Total as of June 30, 1967 ¹	1968 estimate	1969 estimate
Soil surveys (1,000 acres)-----	42,194	651,310	45,000	44,500
Soil conservation surveys (1,000 acres)-----	-----	33,060	-----	-----
Other limited use surveys (1,000 acres)-----	-----	231,000	-----	-----
Reconnaissance surveys (1,000 acres)-----	2,553	16,926	2,000	2,500
Reports published (number)-----	47	-----	50	56

¹ Cumulative acres mapped, all programs.

(b) Technical assistance to cooperating farmers and ranchers in the planning of individual conservation programs for orderly land use adjustments and installation of needed conservation treatments; (c) technical programing, installation services and consultation with those practices and measures provided for in farm and ranch conservation plans;

MAIN WORKLOAD FACTORS

Total number	1967 actual	1968 estimate	1969 estimate
Conservation districts-----	3,010	3,025	3,040
District cooperators (cumulative)-----	2,121,248	2,165,000	2,210,000
Basic plans (cumulative)-----	1,657,019	1,700,000	1,716,000
District cooperators assisted-----	1,077,955	1,085,000	1,106,000
Community-type group jobs-----	3,260	3,275	3,300
Basic conservation plans-----	84,662	85,000	90,000
Revision of farm and ranch plans-----	34,891	35,000	40,000
Acres planned (each year)-----	55,302,639	56,000,000	60,000,000

(d) Technical assistance with community-type group jobs and control measures, including mine-spoil restoration, that can best be solved through coordinated local action; (e) the granting of special equipment to soil conservation districts for use in applying conservation practices; (f) water supply forecasts developed from snow surveys in Western States which are useful in making efficient seasonal use of water; (g) the selection and testing of plant materials to determine their suitability for erosion control and conservation purposes; (h) technical assistance to participants in the agricultural conservation program in establishing specified practices; (i) technical services to participants in other programs involving land-use adjustments; (j) technical assistance in planning and applying the soil and water conservation practices for which loans are made by the Farmers Home Administration; (k) and consultive assistance to rural areas development committees.

Combinations of needed soil and water conservation practices are planned together and in relation to each other so as to have a well balanced conservation program in each district and for each farm or ranch. Both vegetative and structural measures are used in accordance with the needs of the land for conservation treatment and resource improvement. Each plan reflects the decisions of the cooperating farmer or rancher as to how he will use and treat his land.

Technicians of the Soil Conservation Service explain the various soil conditions, develop alternative uses and treatments with each cooperator, help to evaluate the costs and returns of conservation farming, and furnish assistance in applying the needed treatments. Cooperating land owners and operators are providing more than half the cost of practices and measures installed in district programs. Local agencies and private individuals also furnish about one-third of the total installation services used to help cooperators apply soil and water conservation practices in districts throughout the country.

Object Classification (in thousands of dollars)

Identification code 05-20-1000-0-1-354	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions-----	84,160	86,410	87,050
11.3 Positions other than permanent-----	4,796	5,715	6,000
11.5 Other personnel compensation-----	219	245	250
Total personnel compensation-----	89,175	92,370	93,300
12.0 Personnel benefits-----	7,268	7,400	7,650
13.0 Benefits for former personnel-----	1	2	2
21.0 Travel and transportation of persons--	2,389	2,450	2,500
22.0 Transportation of things-----	723	906	900
23.0 Rent, communications, and utilities--	3,317	3,376	3,400
24.0 Printing and reproduction-----	549	600	622
25.1 Other services-----	1,214	1,205	1,200
25.2 Services of other agencies-----	1,290	1,220	1,300
26.0 Supplies and materials-----	3,161	3,174	3,200
31.0 Equipment-----	2,127	2,151	2,200
32.0 Lands and structures-----	31	20	15
42.0 Insurance claims and indemnities-----	26	25	30
Subtotal-----	111,271	114,899	116,319
95.0 Quarters and subsistence charges-----	-6	-6	-6
99.0 Total obligations-----	111,265	114,893	116,313

Personnel Summary

Total number of permanent positions-----	10,523	10,340	10,250
Full-time equivalent of other positions-----	1,150	1,272	1,285
Average number of all employees-----	11,100	11,025	10,955
Average GS grade-----	7.7	7.8	7.9
Average GS salary-----	\$8,252	\$8,689	\$8,771

Federal Funds—Continued**SOIL CONSERVATION SERVICE—Continued****General and special funds—Continued****WATERSHED PLANNING**

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), to remain available until expended, [\$6,000,000] \$6,224,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 ([58 Stat. 742] 7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-2202; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-20-1066-0-1-401	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs: Small watershed project investigations and planning.....	6,602	6,750	6,413
Unfunded adjustments to total operating costs:			
Depreciation included above.....	-89	-100	-105
Other costs included above not requiring funding.....	-196	-200	-200
Total operating costs, funded.....	6,317	6,450	6,108
Capital outlay.....	82	106	130
Total program costs, funded.....	6,399	6,556	6,238
Change in selected resources ¹	41	-9	-14
10 Total obligations.....	6,440	6,547	6,224
Financing:			
21 Unobligated balance available, start of year.....	-495	-382	-----
24 Unobligated balance available, end of year.....	382	-----	-----
New obligatory authority.....	6,327	6,165	6,224
New obligatory authority:			
40 Appropriation.....	6,342	6,000	6,224
41 Transferred to other accounts.....	-15	-10	-----
43 Appropriation (adjusted).....	6,327	5,990	6,224
46 Proposed transfer from other accounts for pay costs.....	-----	175	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	6,440	6,547	6,224
72 Obligated balance, start of year.....	332	444	446
74 Obligated balance, end of year.....	-444	-446	-446
90 Expenditures.....	6,327	6,545	6,224
Expenditures are distributed as follows:			
01 Out of current authorizations.....	6,327	6,125	5,824
02 Out of prior authorizations.....	-----	420	400

¹ Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders.....	151	218	220	210
Accrued annual leave.....	-799	-825	-836	-840
Total selected resources.....	-648	-607	-616	-630

The Department cooperates with the States and other agencies in planning works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water.

MAIN WORKLOAD FACTORS

	1967 actual	1968 estimate	1969 estimate
Applications for planning assistance:			
Received, current fiscal year.....	151	185	186
Received, cumulative at June 30.....	2,653	2,838	3,024
Status of planning:			
Authorized, current fiscal year.....	100	100	112
Authorized, cumulative at June 30.....	1,311	1,411	1,523
Suspended or terminated at June 30.....	163	168	173
Completed, current fiscal year.....	68	100	95
Completed, cumulative at June 30.....	870	970	1,065
In process at June 30.....	278	273	285
Remaining to be planned at June 30.....	1,017	1,077	1,126
Not suitable for planning at June 30.....	325	350	375
Completed plans not yet approved for operations.....	53	53	31

Small watershed project investigations and planning.—Surveys are made by the Department of proposed small watershed projects, and work plans are prepared in co-operation with the local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, cost-sharing and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development.

Object Classification (in thousands of dollars)

Identification code 05-20-1066-0-1-401	1967 actual	1968 est.	1969 est.
SOIL CONSERVATION SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	4,277	4,387	4,180
11.3 Positions other than permanent.....	241	245	234
11.5 Other personnel compensation.....	8	8	6
Total personnel compensation.....	4,526	4,640	4,420
12.0 Personnel benefits.....	384	386	376
21.0 Travel and transportation of persons.....	310	305	274
22.0 Transportation of things.....	48	47	46
23.0 Rent, communications, and utilities.....	104	112	109
24.0 Printing and reproduction.....	125	134	110
25.1 Other services.....	156	150	130
25.2 Services of other agencies.....	87	81	82
25.3 Payments to watershed protection.....	12	9	9
26.0 Supplies and materials.....	90	90	85
31.0 Equipment.....	98	90	75
Total obligations, Soil Conservation Service.....	5,940	6,044	5,716

ALLOTMENT ACCOUNTS

Personnel compensation:			
11.1 Permanent positions.....	341	353	360
11.3 Positions other than permanent.....	17	22	22
11.5 Other personnel compensation.....	1	1	1
Total personnel compensation.....	359	376	383
12.0 Personnel benefits.....	33	33	33
21.0 Travel and transportation of persons.....	44	37	35
22.0 Transportation of things.....	7	2	2
23.0 Rent, communications, and utilities.....	3	4	4
24.0 Printing and reproduction.....	1	-----	-----
25.1 Other services.....	10	15	15
25.2 Services of other agencies.....	2	-----	-----
26.0 Supplies and materials.....	6	3	3
31.0 Equipment.....	4	3	3
41.0 Grants, subsidies, and contributions.....	31	30	30
Total obligations, allotment accounts.....	500	503	508
99.0 Total obligations.....	6,440	6,547	6,224

Obligations are distributed as follows:

Soil Conservation Service.....	5,940	6,044	5,716
Economic Research Service.....	27	26	26
Forest Service.....	473	477	482

Personnel Summary

SOIL CONSERVATION SERVICE

Total number of permanent positions.....	515	470	450
Full-time equivalent of other positions.....	55	54	57
Average number of all employees.....	530	506	480
Average GS grade.....	7.7	7.8	7.9
Average GS salary.....	\$8,252	\$8,689	\$8,771

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	37	38	38
Full-time equivalent of other positions.....	4	4	4
Average number of all employees.....	37	38	42
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$7,977	\$8,477	\$8,510

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research, and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended; [\$70,403,000] \$42,148,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (16 Stat. 742) 7 U.S.C. 2225, and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That [\$5,000,000] \$3,000,000 of the funds in the direct loan account of the Farmers Home administration shall be available until expended for loans. (7 U.S.C. 2201-2202; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-20-1067-0-1-401	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs:			
1. Watershed works of improvement..	63,905	57,196	53,854
2. Loans services.....	519	413	250
3. River basin program development and coordination.....	7,020	8,899	8,320
Total operating costs.....	71,444	66,508	62,424
Unfunded adjustments of total operating costs:			
Depreciation included above.....	-605	-605	-605
Other costs included above not requiring funds.....	-646	-650	-650
Total operating costs, funded....	70,193	65,253	61,169
Capital outlay, funded:			
1. Capitalized property.....	572	952	1,202
2. Loans.....	4,689	4,288	200
Total capital outlay.....	5,261	5,240	1,402
Total program costs, funded.....	75,454	70,493	62,591
Change in selected resources ¹	-506	-12,070	-5,937
10 Total obligations.....	74,948	58,423	56,634
Financing:			
21 Unobligated balance available, start of year	-7,415	-2,549	-14,486
24 Unobligated balance available, end of year	2,549	14,486	-----
New obligational authority.....	70,082	70,360	42,148

New obligational authority:

40 Appropriation.....	70,131	70,403	42,148
41 Transferred to other accounts.....	-49	-43	-----
43 Appropriation (adjusted).....	70,082	70,360	42,148

Relation of obligations to expenditures:

71 Total obligations (affecting expenditures)	74,948	58,423	56,634
72 Obligated balance, start of year.....	54,461	55,466	40,842
74 Obligated balance, end of year.....	-55,466	-40,842	-35,531
90 Expenditures.....	73,943	73,047	61,945

Expenditures are distributed as follows:

01 Out of current authorizations.....	73,943	{26,126	18,071
02 Out of prior authorizations.....		{46,921	43,874

¹ Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders.....	44,092	42,906	34,716	30,196
Undisbursed loans.....	4,400	5,194	1,394	-----
Advances.....	19	18	18	18
Accrued annual leave.....	-2,934	-3,047	-3,127	-3,150
Total selected resources.....	45,577	45,071	33,001	27,064

The Department cooperates with the States and other agencies in installing works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion, and for the conservation, development, utilization, and disposal of water. It makes loans to local organizations to help them finance their share of the costs of certain works of improvement. The Department also cooperates with other agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated programs.

MAIN WORKLOAD FACTORS

Status of projects approved for operations:	1967 actual	1968 estimate	1969 estimate
Approved, current fiscal year.....	88	100	117
Approved, cumulative at June 30....	817	917	1,034
Completed, current fiscal year.....	44	65	70
Completed, cumulative at June 30....	159	224	294
Work in progress at June 30.....	658	693	740

1. *Watershed works of improvement.*—The Department provides technical and financial assistance to local organizations to install the watershed works of improvement for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife development features specified in the work plans.

(a) *Pilot demonstration watersheds.*—Sixty-two pilot watersheds were started in 1954 in cooperation with local sponsors under authority of the act of April 27, 1935 (16 U.S.C. 590 a-f) to demonstrate and evaluate the effectiveness of works of improvement installed in small watersheds for watershed protection and flood prevention. As of June 30, 1967, work had been discontinued in eight projects and completed as planned in 52 except for project evaluation studies which will be underway until 1970 in some of these. The following table shows the current status of the pilot watershed projects. Obligations for project evaluation studies are not reflected in the table subsequent to 1959 as these costs were determined not properly chargeable to projects. Obligations for such studies amount to \$72 thousand in 1967 and are estimated at \$100 thousand each year in 1968 and 1969.

*Federal Funds—Continued***SOIL CONSERVATION SERVICE—Continued****General and special funds—Continued****WATERSHED PROTECTION—Continued**

Explanation	[Dollars in thousands]		1967 actual		1968 estimate		1969 estimate	
			Number	Amount	Number	Amount	Number	Amount
Uncompleted projects at beginning of year and estimated completion cost.....			4	\$696	2	\$506	2	\$203
Status of projects and amounts obligated:								
1. Projects completed during the year.....			2	34	--	-----	2	203
2. Projects continuing construction and land treatment.....			2	156	2	303	--	-----
Total.....			4	190	2	303	2	203
3. Uncompleted projects at end of year:								
(a) Obligations to date ²			2	2,515	2	2,818	--	-----
(b) Estimated completion cost.....			--	506	--	203	--	-----
4. Projects completed (cumulative) and total cost ²			52	40,527	52	40,527	54	43,548
5. Projects discontinued (cumulative) and total cost.....			8	330	8	330	8	330
6. Total projects approved and estimated total cost.....			62	43,878	62	43,878	62	43,878
7. Total obligations (cumulative).....			--	43,372	--	43,675	--	43,878

¹ Excludes \$116,450 for authorized repair work on project completed in prior year.² Includes \$1,264,860 for project evaluation studies charged to project costs prior to fiscal year 1960.

(b) *Public Law 566 watersheds.*—After local sponsoring organizations have developed watershed work plans with the Department's assistance or with State and local resources, and the projects have been approved as suitable for Federal participation technical services and financial assistance can be provided for specified works of improvement. Projects involving an estimated Federal contribution in excess of \$250 thousand or construction of any single structure having a capacity in excess of 2,500 acre-feet now require congressional committee approval; however, the President objects to this provision and legislative changes have been proposed to provide for approval by the Congress. On non-Federal lands local sponsoring organizations must contract for construction work, operate and maintain the projects, and, in the case of multiple-purpose structures, bear a share of construction costs. In addition, local organizations must acquire water rights and furnish land, easements, and rights-of-way for all structural measures except that the Federal Government may pay up to one-half the cost of land, easements, and rights-of-way allocated to public fish and wildlife and recreational developments. Federal agencies do this work on Federal lands which they administer with appropriate contributions being made by the local people who receive benefits.

Preconstruction land treatment and engineering services are furnished to all approved projects before they are advanced to the construction stage. During the preconstruction stage, surveys and investigations are made

and detailed designs, specifications, and engineering cost estimates are prepared for construction of structural works; areas are delineated where easements are required, and technical services are furnished for accelerating planning and application of land-treatment measures if provided for in the watershed work plan.

The project construction stage begins with the execution of the first project agreement for construction of works of improvement. Under a project agreement the local sponsoring organization agrees to construct a segment of the project which may consist of an individual or an inter-related group of structures. The agreement obligates the Department to furnish its share of the construction cost. Payments are made to the local contracting organization in accordance with the project agreement as the work progresses. Engineering and other services are provided for the preparation of contracts and inspection of construction. Technical assistance in planning and installing land-treatment measures is continued as called for in the watershed work plan.

The following tabulation shows the status of Public Law 566 projects and amounts obligated or estimated to be obligated. The table does not reflect minor obligations for project evaluation studies (\$198 thousand cumulatively as of June 30, 1967) for balances remaining in the undistributed equipment account (\$548 thousand cumulatively as of June 30, 1967) or for advances for future water supplies (\$45 thousand cumulatively as of June 30, 1967).

Explanation	[Dollars in thousands]		1967 actual		1968 estimate		1969 estimate	
			Number	Amount	Number	Amount	Number	Amount
1. Projects approved for operations and estimated cost of completion:								
(a) Uncompleted projects at beginning of year.....			614	\$480,489	658	\$553,870	693	\$659,369
(b) Projects approved during year.....			88	134,954	100	153,357	117	179,000
Total.....			702	615,443	758	707,227	810	838,369
2. Status of projects and amounts obligated:								
(a) Projects not requiring funds.....			30	-----	47	-----	50	-----
(b) Projects receiving preconstruction land treatment and engineering services.....			198	4,386	251	5,557	310	6,800
(c) Projects moved into construction stage during year.....			59	13,089	30	6,000	55	9,567
(d) Prior year projects continuing construction and land treatment.....			342	43,576	336	35,713	295	30,225
(e) Projects with construction completed continuing land treatment.....			29	174	29	149	30	155
(f) Projects completed during year.....			44	348	65	439	70	454
Total.....			702	61,573	758	47,858	810	47,201

3. Uncompleted projects (cumulative) at end of year:					
(a) Obligations to date.....	658	\$326,843	693	\$348,184	740
(b) Estimated cost of completion.....	658	553,870	693	659,369	740
4. Projects completed (cumulative) and total cost.....	159	64,864	224	91,381	294
5. Total projects approved (cumulative) and total cost.....	817	945,577	917	1,098,934	1,034
6. Total obligations (cumulative).....	---	391,707	---	439,565	---

The 1968 program contemplates initiation of construction in 30 watershed projects, involving \$6.0 million and a total Federal cost of \$30 million. The 1969 estimate provides for starting about 55 projects with 1969 obligations of \$9.6 million and total Federal cost of \$55 million.

2. *Loans and related expense.*—Loans are made to local sponsoring organizations to finance the local cost of installing works of improvement in approved watershed projects. Repayment with interest is required within 50 years after the principal benefits of improvements become available. Loans will be made from prior year unobligated balances of \$488 thousand and an additional \$5 million will be available in 1968 and \$3 million in 1969 from the Direct Loan Account of the Farmers Home Administration. Loan services related to processing and making loans will be financed from new obligational authority available in this appropriation.

3. *River basin program development and coordination.*—Section 6 of Public Law 566, 83d Congress, as amended, authorizes the Department to cooperate with other Federal, State, and local agencies in making surveys and investigations of the watersheds of rivers and other waterways as a basis for the development of coordinated water and related land resource programs. The Department currently is participating in cooperative surveys and investigations in river basins with the Corps of Engineers and other interested Federal and State agencies. The Department is represented on the Interagency Committee on Water Resources which was established to coordinate water and related land resource activities of Federal departments and agencies. The Department also maintains representation on various river basin interagency committees. These serve as points of contact

and coordination between representatives of this Department and of other Federal departments and agencies and the States in these basin areas. They keep all concerned mutually informed of the activities of the member agencies and facilitate matters of interagency coordination. During fiscal year 1968 the Department maintained such representation on committees in the Arkansas-White-Red, Missouri, Pacific Southwest, and Southeast areas.

The Department also is represented on the Water Resources Council which recently was formed in accordance with section 101, Public Law 89-80, the Water Resources Planning Act. It is represented on the Council of Representatives which provides staff services to the Water Resources Council on an interim basis.

This Department and the Departments of the Army, the Interior, and Health, Education, and Welfare have jointly considered river basin surveys and investigations currently needed to attain the goal for surveying the river basins of the Nation which was proposed by the Senate Select Committee on National Resources and recommended by the President. Based on this joint consideration, this estimate includes \$3,444 thousand to continue these interagency comprehensive surveys during fiscal year 1969 and to start one new one; \$4,109 thousand to continue other cooperative river basin surveys begun in prior years and to start 6 additional surveys in cooperation with States; and \$1,175 thousand for interregional economic analyses and interagency coordination activities. The estimate also includes \$52 thousand for flood hazard analysis.

The following tabulation shows the number of surveys and actual or estimated obligations by type of survey in fiscal years 1967, 1968, and 1969.

Explanation		[Dollars in thousands]					
		1967 actual		1968 estimate		1969 estimate	
1. Type of survey and amounts obligated:		Number	Amount	Number	Amount	Number	Amount
(a) Framework surveys (type I):							
(1) Surveys started during year.....		3	\$306	2	\$273	1	\$198
(2) Continuing prior year surveys.....		5	1,265	7	2,234	9	1,962
(3) Surveys completed during year.....		--	----	(1)	(27)	(2)	(360)
Total, type I surveys.....		8	1,571	9	2,507	10	2,160
(b) Detailed surveys (type II):							
(1) Continuing prior year surveys.....		15	2,037	10	1,917	7	1,284
(2) Surveys completed during year.....		(1)	(102)	(7)	(391)	(7)	(1,080)
Total, type II surveys.....		15	2,037	10	1,917	7	1,284
(c) Surveys in cooperation with State and other Federal agencies (type IV):							
(1) Surveys started during year.....		6	1,007	5	600	6	418
(2) Continuing prior year surveys.....		14	1,745	122	3,194	24	3,691
(3) Surveys completed during year.....		--	----	(3)	(496)	(5)	(700)
Total, type IV surveys.....		20	2,752	27	3,794	30	4,109
Total, surveys and obligations.....		43	6,360	46	8,218	47	7,553
2. Interregional economic analysis.....		--	144	--	183	--	176
3. Flood hazard analysis.....		--	----	--	103	--	52
4. Interagency coordination and program formulation.....		--	522	--	1,057	--	999
Total obligations.....		--	7,026	--	9,561	--	8,780

¹ Includes two old studies reactivated; Yazoo-Mississippi River Delta and Cape Fear.

Federal Funds—Continued**SOIL CONSERVATION SERVICE—Continued****General and special funds—Continued****WATERSHED PROTECTION—Continued****Object Classification (in thousands of dollars)**

Identification code 05-20-1067-0-1-401	1967 actual	1968 est.	1969 est.
SOIL CONSERVATION SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	19,277	21,900	20,821
11.3 Positions other than permanent.....	1,776	2,398	2,279
11.5 Other personnel compensation.....	390	441	429
Total personnel compensation.....	21,443	24,739	23,529
12.0 Personnel benefits.....	1,730	2,202	1,874
13.0 Benefits for former personnel.....	1		
21.0 Travel and transportation of persons.....	895	963	935
22.0 Transportation of things.....	189	302	300
23.0 Rent, communications, and utilities.....	596	649	605
24.0 Printing and reproduction.....	474	522	471
25.1 Other services.....	1,334	1,596	1,514
Watershed construction contracts.....	228	246	134
25.2 Services of other agencies.....	471	560	506
26.0 Supplies and materials.....	659	740	677
31.0 Equipment.....	681	705	624
33.0 Investments and loans.....	4		
41.0 Grants, subsidies, and contributions.....	37,141	20,659	21,384
42.0 Insurance claims and indemnities.....	8	4	
Total obligations, Soil Conservation Service.....	65,852	53,887	52,553

ALLOTMENT ACCOUNTS

Personnel compensation:			
11.1 Permanent positions.....	1,998	2,342	2,202
11.3 Positions other than permanent.....	105	100	108
11.5 Other personnel compensation.....	2	4	4
Total personnel compensation.....	2,105	2,446	2,314
12.0 Personnel benefits.....	180	202	194
21.0 Travel and transportation of persons.....	226	265	249
22.0 Transportation of things.....	30	42	44
23.0 Rent, communications, and utilities.....	45	53	51
24.0 Printing and reproduction.....	9	11	11
25.1 Other services.....	425	467	438
25.2 Services of other agencies.....	43	65	65
26.0 Supplies and materials.....	41	71	72
31.0 Equipment.....	41	65	64
32.0 Lands and structures.....	36	25	30
33.0 Investments and loans.....	5,483	288	200
41.0 Grants, subsidies, and contributions.....	432	536	349
Total obligations, allotment accounts.....	9,096	4,536	4,081
99.0 Total obligations.....	74,948	58,423	56,634

Obligations are distributed as follows:

Department of Agriculture:			
Soil Conservation Service.....	65,852	53,887	52,553
Economic Research Service.....	1,406	1,720	1,719
Farmers Home Administration.....	6,002	701	450
Forest Service.....	1,590	1,995	1,815
Department of Interior.....	98	120	97

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number permanent positions.....	2,451	2,675	2,541
Full-time equivalent of other positions.....	405	523	510
Average number of all employees.....	2,705	3,071	2,932
Average GS grade.....	7.7	7.8	7.9
Average GS salary.....	\$8,252	\$8,689	\$8,771

ALLOTMENT ACCOUNTS

Total number permanent positions.....	230	231	221
Full-time equivalent of other positions.....	21	18	19
Average number of all employees.....	222	235	225
Average GS grade.....	8.0	8.3	8.3
Average GS salary.....	\$8,486	\$9,279	\$9,603

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742) 7 U.S.C. 2225), and not to exceed \$100,000 for employment under 5 U.S.C. 3109, to remain available until expended; [\$25,753,000] \$12,395,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided, That* [\$1,000,000] \$400,000 of funds in the direct loan account of the Farmers Home Administration shall be available until expended for loans. (7 U.S.C. 2201-2202; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-20-1036-0-1-401	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs:			
1. Works of improvement.....	26,733	25,922	23,105
2. Loan services.....	117	124	110
Total operating costs.....	26,850	26,046	23,215
Unfunded adjustments to total operating costs:			
Depreciation included above.....	-1,093	-1,125	-1,125
Other costs included above not requiring funding.....	-119	-120	-125
Total operating costs, funded.....	25,638	24,801	21,965
Capital outlay, funded:			
1. Capitalized property.....	1,034	1,301	1,296
2. Loans.....	350	880	772
Total capital outlay.....	1,384	2,181	2,068
Total program costs, funded.....	27,022	26,982	24,033
Change in selected resources ¹	-614	-3,908	-4,929
10 Total obligations.....	26,408	23,074	19,104
Financing:			
21 Unobligated balance available, start of year.....	-4,756	-4,032	-6,709
24 Unobligated balance available, end of year.....	4,032	6,709	
New obligational authority.....	25,684	25,751	12,395
New obligational authority:			
40 Appropriation.....	25,695	25,753	12,395
41 Transferred to other accounts.....	-11	-2	
43 Appropriation (adjusted).....	25,684	25,751	12,395
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	26,408	23,074	19,104
72 Obligated balance, start of year.....	13,989	13,042	9,727
74 Obligated balance, end of year.....	-13,042	-9,727	-3,831
90 Expenditures.....	27,356	26,387	25,000

Expenditures are distributed as follows:

01 Out of current authorizations.....	27,356	{	10,389	6,180
02 Out of prior authorizations.....			16,000	18,820

1 Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders.....	11,497	10,774	6,880	2,500
Undisbursed loans.....	395	529	529	---
Accrued annual leave.....	-755	-780	-794	-814
Total selected resources.....	11,137	10,523	6,615	1,686

1. *Works of improvement.*—The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention and for furthering the conservation, development, utilization, and disposal of water in the 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares in the cost of works of improvement for flood prevention, agricultural water management, recreation, and fish and wildlife development facilities.

The Department furnishes additional technical and in certain instances financial assistance to landowners to accelerate planning and installation of land treatment measures for runoff retardation, sediment control, and water management. Local sponsoring organizations must furnish all land, easements, and rights-of-way, water rights, and the entire cost of works of improvement for nonagricultural water management measures, except those for fish and wildlife development and recreation, and operate and maintain all completed works of improvement.

2. *Loan services.*—Loans are made to local organizations to help finance their share of the costs of planned works of improvement. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Loans from this appropriation in 1968 and 1969 will be financed from \$1.9 million in unobligated balances carried over from prior years. Additional loans if needed may be made from the Direct Loan Account of the Farmers Home Administration.

Object Classification (in thousands of dollars)

Identification code 05-20-1036-0-1-401	1967 actual	1968 est.	1969 est.
SOIL CONSERVATION SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	5,259	5,561	5,264
11.3 Positions other than permanent.....	815	938	888
11.5 Other personnel compensation.....	166	165	156
Total personnel compensation.....	6,240	6,664	6,308
12.0 Personnel benefits.....	482	518	493
21.0 Travel and transportation of persons.....	161	199	175
22.0 Transportation of things.....	39	65	60
23.0 Rent, communications, and utilities.....	163	170	170
24.0 Printing and reproduction.....	128	164	160
25.1 Other services.....	1,273	1,250	1,250
Watershed construction contracts.....	12,181	7,861	5,527
25.2 Services of other agencies.....	124	133	130
25.3 Payment to watershed protection.....	79	110	100
26.0 Supplies and materials.....	699	720	710
31.0 Equipment.....	158	200	190
41.0 Grants, subsidies, and contributions.....	9	564	20
42.0 Insurance claims and indemnities.....	26	-----	-----
Total obligations, Soil Conservation Service.....	21,762	18,618	15,293

ALLOTMENT ACCOUNTS

Personnel compensation:			
11.1 Permanent positions.....	1,442	1,337	1,209
11.3 Positions other than permanent.....	877	726	588
11.5 Other personnel compensation.....	31	25	17
Total personnel compensation.....	2,350	2,088	1,814
12.0 Personnel benefits.....	168	156	140
21.0 Travel and transportation of persons.....	40	41	36
22.0 Transportation of things.....	135	115	105
23.0 Rent, communications, and utilities.....	130	110	100
24.0 Printing and reproduction.....	5	5	5
25.1 Other services.....	372	290	220
25.2 Services of other agencies.....	146	115	100
26.0 Supplies and materials.....	478	355	280
31.0 Equipment.....	89	76	60
32.0 Lands and structures.....	143	120	100
33.0 Investments and loans.....	484	880	771
41.0 Grants, subsidies, and contributions.....	144	140	110
42.0 Insurance claims and indemnities.....	3	-----	-----
Subtotal.....	4,687	4,491	3,841
95.0 Quarters and subsistence charges.....	-41	-35	-30
Total obligations, allotment accounts.....	4,646	4,456	3,811
99.0 Total obligations.....	26,408	23,074	19,104

Obligations are distributed as follows:

Soil Conservation Service.....	21,762	18,618	15,293
Economic Research Service.....	45	47	41
Farmers Home Administration.....	601	1,004	881
Forest Service.....	4,000	3,405	2,889

Personnel Summary

SOIL CONSERVATION SERVICE

Total number of permanent positions.....	687	700	660
Full-time equivalent of other positions.....	193	216	202
Average number of all employees.....	858	894	837
Average GS grade.....	7.7	7.8	7.9
Average GS salary.....	\$8,252	\$8,689	\$8,771

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	199	172	162
Full-time equivalent of other positions.....	223	181	144
Average number of all employees.....	409	345	292
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,870	\$8,355	\$8,381

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), [\$16,336,000] \$13,414,000, to remain available until expended. (7 U.S.C. 2201-2202; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-20-2268-0-1-354	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs: Great Plains conservation program.....	16,038	16,153	15,645
Unfunded adjustments to total operating costs: Depreciation included above....	-53	-45	-40

Federal Funds—Continued**SOIL CONSERVATION SERVICE—Continued****General and special funds—Continued****GREAT PLAINS CONSERVATION PROGRAM—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-20-2268-0-1-354	1967 actual	1968 est.	1969 est.
Program by activities—Continued			
Other costs included above not requiring funding.....	-35	-37	-35
Total operating costs, funded.....	15,950	16,071	15,570
Capital outlay.....	14	15	20
Total program costs, funded.....	15,964	16,086	15,590
Change in selected resources ¹	2,562	-1,426	-440
10 Total obligations.....	18,526	14,660	15,150
Financing:			
21 Unobligated balance available, start of year	-82	-60	-1,736
24 Unobligated balance available, end of year	60	1,736	-----
40 New obligational authority (appropriation).....	18,504	16,336	13,414
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	18,526	14,660	15,150
72 Obligated balance, start of year.....	26,952	29,601	27,903
74 Obligated balance, end of year.....	-29,601	-27,903	-27,353
90 Expenditures.....	15,877	16,358	15,700
Expenditures are distributed as follows:			
01 Out of current authorizations.....	15,877	5,100	5,225
02 Out of prior authorizations.....		11,258	10,475

¹ Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders.....	26,318	28,895	27,450	27,000
Accrued annual leave.....	-454	-469	-450	-440
Total selected resources.....	25,864	28,426	27,000	26,560

This program provides cost-sharing assistance and technical services to participating farmers and ranchers in the development and installation of long-term conservation plans for their land. It is a voluntary program which supplements other conservation programs of the Department in 414 designated counties of 10 Great Plains States. Cost-sharing contracts with individual landowners extend over periods of 3 to 10 years and include a plan of conservation operations for each farm or ranch. The primary purpose of this program is to achieve needed land use adjustments, conservation treatments and economic stability for each farm or ranch unit where the contracted work is installed within specific time schedules.

MAIN WORKLOAD FACTORS

Program participants:	1967 actual	1968 estimate	1969 estimate
New contracts during year.....	4,069	2,954	3,100
Active contracts end of year (net of terminations).....	18,400	19,000	19,500

The needs for technical help increase over a period of years as more participants enter the program. This increasing workload is in two parts; namely, (a) assistance to new participants in preparing long-term contracts; and (b) installation services in accordance with the terms and period of time specified in each contract.

As of June 30, 1967, there was a backlog of 4,649 unserved applications pending, and a total of 18,400

farmers and ranchers were cooperating in this cost-share program. Cooperating landowners finance the entire cost of installing recurring management type practices and pay a specified part of the cost-shared practices installed on their land.

Program regulations provide that the cost-share rate offered in any contract shall not exceed 80 percent of the average cost of installing each eligible practice within the designated county. The rate of cost-share obligations varies among practices and between States due to differences in average costs for installation. Federal cost-sharing is further limited to \$2,500 for the construction, enlarging, or deepening of any dam, pit, or pond for irrigation water; and to not more than \$2,500 for irrigation practices in any one contract, or one-fourth of the total Federal obligation, whichever is larger. There is also a cost-sharing limitation of \$25 thousand for any contract.

Each participant who signs a Great Plains program contract is responsible for installing his plan of operations as scheduled; and the Department is committed to furnish the necessary technical help needed for design, layout, and other services with all practices included in each plan. Cooperating farmers and ranchers are encouraged to make use of other available assistance under local, State, and Federal programs as a means of further improving their land and water resources.

Object Classification (in thousands of dollars)

Identification code 05-20-2268-0-1-354	1967 actual	1968 est.	1969 est.
SOIL CONSERVATION SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	2,740	2,938	2,890
11.3 Positions other than permanent.....	299	315	325
11.5 Other personnel compensation.....	3	4	5
Total personnel compensation.....	3,042	3,257	3,220
12.0 Personnel benefits.....	245	273	271
21.0 Travel and transportation of persons.....	44	53	54
22.0 Transportation of things.....	17	25	25
23.0 Rent, communications, and utilities.....	55	56	60
24.0 Printing and reproduction.....	9	11	12
25.1 Other services.....	22	22	27
25.2 Services of other agencies.....	34	39	40
26.0 Supplies and materials.....	107	113	121
31.0 Equipment.....	39	35	30
41.0 Grants, subsidies, and contributions.....	14,777	10,636	11,150
Total obligations, Soil Conservation Service.....	18,391	14,520	15,010
ALLOTMENT ACCOUNTS			
Personnel compensation:			
11.1 Permanent positions.....	28	32	32
11.3 Positions other than permanent.....	4	4	4
Total personnel compensation.....	32	36	36
12.0 Personnel benefits.....	3	3	3
21.0 Travel and transportation of persons.....	1	1	1
24.0 Printing and reproduction.....	-----	2	3
25.1 Other services.....	11	11	11
25.2 Services of other agencies.....	88	87	86
Total obligations, allotment accounts.....	135	140	140
99.0 Total obligations.....	18,526	14,660	15,150
Obligations are distributed as follows:			
Soil Conservation Service.....	18,391	14,520	15,010
Agricultural Stabilization and Conservation Service.....	77	79	79
Economic Research Service.....	40	43	43
Office of Information.....	18	18	18

Personnel Summary

SOIL CONSERVATION SERVICE

Total number of permanent positions.....	360	368	358
Full-time equivalent of other positions.....	63	63	65
Average number of all employees.....	410	415	400
Average GS grade.....	7.7	7.8	7.9
Average GS salary.....	\$8,252	\$8,689	\$8,771

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	5	5	5
Average number of all employees.....	4	4	4
Average GS grade.....	8.4	8.5	8.6
Average GS salary.....	\$8,960	\$9,427	\$9,508

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), **[\$6,129,000]** \$6,474,000, to remain available until expended: *Provided*, That \$1,500,000 of the funds available in the direct loan account of the Farmers Home Administration shall be available for loans under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended, to remain available until expended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (**[58 Stat. 742]** 7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-2202; *Department of Agriculture and Related Agencies Appropriation Act, 1968*.)

Program and Financing (in thousands of dollars)

Identification code 05-20-1010-0-1-354	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs:			
1. Project investigations and planning.....	458	550	230
2. Resource development and technical services.....	3,263	4,874	7,084
3. Loan services.....	213	465	157
Total operating costs.....	3,934	5,889	7,471
Unfunded adjustments to total operating costs:			
Depreciation included above.....	-56	-50	-50
Other costs included above not requiring funding.....	-50	-60	-60
Total operating costs, funded.....	3,828	5,779	7,361
Capital outlay funded:			
1. Capitalized property.....	58	60	60
2. Loans.....	481	1,039	-----
Total capital outlay.....	539	1,099	60
Total program costs, funded.....	4,367	6,878	7,421
Change in selected resources ¹	1,531	2,036	-947
10 Total obligations.....	5,898	8,914	6,474
Financing:			
21 Unobligated balance available, start of year.....	-3,892	-2,658	-----
24 Unobligated balance available, end of year.....	2,658	-----	-----
New obligational authority.....	4,664	6,256	6,474
New obligational authority:			
40 Appropriation.....	4,665	6,129	6,474
41 Transferred to other accounts.....	-1	-8	-----
43 Appropriation, adjusted.....	4,664	6,121	6,474
46 Proposed transfer from other accounts for civilian pay increases.....	-----	135	-----

Relation of obligations to expenditures:

71 Total obligations (affecting expenditures)	5,898	8,914	6,474
72 Obligated balance, start of year.....	437	2,196	4,876
74 Obligated balance, end of year.....	-2,196	-4,876	-4,950
90 Expenditures.....	4,139	6,234	6,400

Expenditures are distributed as follows:

01 Out of current authorizations.....	4,139	2,000	2,100
02 Out of prior authorizations.....	-----	4,234	4,300

¹ Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders.....	190	1,218	3,900	2,953
Undisbursed loans.....	13	522	-----	-----
Advances.....	-----	3	-----	-----
Accrued annual leave.....	-278	-287	-408	-408
Total selected resources.....	-75	1,456	3,492	2,545

The Department cooperates with other Federal agencies, States, local units of government, groups and individuals in developing and carrying out programs and plans for resource conservation and development on private lands and shares in the cost of installing planned project measures, when justified as a public need. Loans are provided to local sponsoring organizations and to individuals, when needed to help them finance their share of the cost of certain measures which are in the public interest.

Technical assistance is provided in each project area approved for planning to help sponsoring organizations prepare overall plans for resource conservation and development. Project measures planned will contribute to improvement in the economy of the area and to needed land use adjustments.

Thirty-four project plans are expected to be completed and in operation by June 30, 1968. Completion of the seven project plans initiated in 1968 and three plans of the 10 to be initiated in 1969 will bring the number of plans in operation in 1969 to 44.

Each project authorized for operations is provided technical assistance to help cooperating groups and individuals plan and install land treatment measures for which no cost-shares are paid from this appropriation; to design and supervise installation of project measures; and, to assist the preparation of plans for resource development and economic improvement within project areas.

The main workload factors in 1969 include:

(a) Assistance to local sponsors in developing suitable plans in 10 new project areas.

(b) Operations in 44 project areas for which plans will have been completed.

(c) Acceleration of project measure installation expected to be made possible by additional State and local funds.

Field work under this program consists, primarily, of planning, designing and supervision of installation of project measures and conservation practices, the purpose of which is to develop or improve the economic use of natural resources. This includes recreation facilities and income-producing enterprises where needed and based on proper land use. Investigations, surveys and planning are prerequisite to the operating phase of this program. Financial contributions, loans, and other Federal assistance are used to help plan and install project measures as specified in work plans.

Local sponsoring organizations are expected to provide about \$17 million of non-Federal funds for project operations during 1969. This is an average of \$400 thousand per operating project. Technical services to be provided by the Soil Conservation Service will be about 10% of the

Federal Funds—Continued**SOIL CONSERVATION SERVICE—Continued****General and special funds—Continued****RESOURCE CONSERVATION AND DEVELOPMENT—Continued**

non-Federal funds and about 6% of the total program cost expected in 1969.

Loans are made to local organizations to help finance their share of the costs of installing project measures. The unobligated balance of loan funds carried forward to 1968 will finance \$465 thousand for loan services and \$1,038,874 for loans. In addition \$1,500 thousand will be available for loans in 1968 and 1969 from the direct loan account of the Farmers Home Administration.

Object Classification (in thousands of dollars)

Identification code 05-20-1010-0-1-354	1967 actual	1968 est.	1969 est.
SOIL CONSERVATION SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	2,039	3,079	2,869
11.3 Positions other than permanent.....	166	254	246
11.5 Other personnel compensation.....	8	18	15
Total personnel compensation.....	2,213	3,351	3,130
12.0 Personnel benefits.....	185	286	217
21.0 Travel and transportation of persons.....	85	165	85
22.0 Transportation of things.....	18	60	25
23.0 Rent, communications, and utilities.....	68	110	80
24.0 Printing and reproduction.....	51	80	50
25.1 Other services.....	189	195	195
Construction contracts.....	1,030	1,499	1,180
25.2 Services of other agencies.....	21	50	30
26.0 Supplies and materials.....	72	130	80
31.0 Equipment.....	121	130	105
41.0 Grants, subsidies, and contributions.....	240	600	500
Total obligations, Soil Conservation Service.....	4,293	6,656	6,577
ALLOTMENT ACCOUNTS			
Personnel compensation:			
11.1 Permanent positions.....	321	565	254
11.3 Positions other than permanent.....	3	3	3
Total personnel compensation.....	324	568	257
12.0 Personnel benefits.....	26	44	21
21.0 Travel and transportation of persons.....	14	22	13
25.1 Other services.....	5	207	207
26.0 Supplies and materials.....	-----	2	4
31.0 Equipment.....	1	2	1
32.0 Lands and structures.....	11	12	12
33.0 Investments and loans.....	990	1,039	-----
41.0 Grants, subsidies, and contributions.....	234	362	282
Total obligations, allotment accounts.....	1,605	2,258	797
99.0 Total obligations.....	5,898	8,914	6,474
Obligations are distributed as follows:			
Soil Conservation Service.....	4,293	6,656	5,677
Economic Research Service.....	131	141	104
Farmers Home Administration.....	1,203	1,504	157
Federal Extension Service.....	-----	200	200
Forest Service.....	271	413	336

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	261	366	340
Full-time equivalent of other positions.....	38	56	50

Average number of all employees.....	279	405	362
Average GS grade.....	7.7	7.8	7.9
Average GS salary.....	\$8,252	\$8,689	\$8,771

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	39	56	24
Average number of all employees.....	37	55	23
Average GS grade.....	7.5	7.5	7.9
Average GS salary.....	\$8,067	\$8,359	\$8,750

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

Commerce:

Office of Appalachian Assistance, "Supplemental grants-in-aid."

Economic Development Administration, "Development facilities grants."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-20-3988-0-4-354	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs:			
1. Sale of maps and mosaics.....	875	950	983
2. Sale of personal property.....	423	549	536
3. Technical assistance to agricultural conservation program participants.....	8,690	8,000	5,000
4. Technical assistance to cropland conversion program participants.....	4	-----	-----
5. Technical assistance to cropland adjustments program participants.....	19	75	75
6. Soil mechanics testing.....	105	150	179
7. Small watershed project investigations and planning.....	1,235	1,200	1,808
8. Small watershed works of improvement.....	93	210	265
9. Soil surveys.....	808	990	1,060
10. River basin studies.....	160	150	155
11. Miscellaneous services to other accounts.....	900	860	675
12. Agency for International Development (Funds appropriated to the President).....	715	1,505	1,608
13. Technical services to Agency for International Development.....	29	10	10
Total operating costs.....	14,056	14,649	12,354
Unfunded adjustments to total operating costs:			
Depreciation included above.....	-8	-10	-15
Other costs included above not requiring funding.....	-17	-18	-20
Total operating costs, funded.....	14,031	14,621	12,319
Capital outlay.....	151	150	150
Total program costs, funded.....	14,182	14,771	12,469
Change in selected resources ¹	250	41	100
10 Total obligations.....	14,432	14,812	12,569
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	-11,597	-11,593	-8,594
14 Non-Federal sources ²	-2,835	-3,219	-3,975
New obligational authority.....	-----	-----	-----

Relation of obligations to expenditures:

10	Total obligations.....	14,432	14,812	12,569
70	Receipts and other offsets (items 11-17).....	-14,432	-14,812	-12,569
71	Obligations affecting expenditures.....	-----	-----	-----
72	Obligated balance, start of year.....	4,516	4,516	4,516
74	Obligated balance, end of year.....	-4,516	-4,516	-4,516
90	Expenditures.....	-----	-----	-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders 1966, \$580 thousand (1967 adjustments, \$29 thousand); 1967, \$859 thousand; 1968, \$900 thousand; 1969, \$1,000 thousand.

² Reimbursements from non-Federal sources above are from State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (16 U.S.C. 590a-590f); from Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soil, land use, and other maps (7 U.S.C. 1387); from proceeds of sale of personal property (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

Identification code 05-20-3988-0-4-354	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	8,936	9,000	7,300
11.3 Positions other than permanent.....	1,854	1,881	1,630
11.5 Other personnel compensation.....	86	89	80
Total personnel compensation.....	10,876	10,970	9,010
12.0 Personnel benefits.....	836	842	800
21.0 Travel and transportation of persons.....	133	136	130
22.0 Transportation of things.....	40	43	40
23.0 Rent, communications, and utilities.....	151	163	145
24.0 Printing and reproduction.....	56	60	55
25.1 Other services.....	315	325	300
25.2 Services of other agencies.....	52	55	50
25.3 Other services.....	877	1,048	954
26.0 Supplies and materials.....	563	600	550
31.0 Equipment.....	532	560	530
41.0 Grants, subsidies, and contributions.....	1	10	5
99.0 Total obligations.....	14,432	14,812	12,569

Personnel Summary

Total number of permanent positions.....	1,280	1,308	1,062
Full-time equivalent of other positions.....	347	352	305
Average number of all employees.....	1,575	1,607	1,304
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$8,252	\$8,689	\$8,771

ECONOMIC RESEARCH SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; [\$12,421,000] \$13,964,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742], 7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production

and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis. (7 U.S.C. 411, 1761-1768, 2201-2202; 42 U.S.C. 1891-1893; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-24-1700-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Farm economics.....	5,899	6,062	7,060
2. Marketing economics.....	3,507	3,272	3,308
3. Domestic and foreign economic analysis.....	3,243	3,455	3,596
Total program costs, funded ¹	12,649	12,789	13,964
Change in selected resources ²	-313	-----	-----
10 Total obligations.....	12,336	12,789	13,964
Financing:			
21 Unobligated balance available, start of year.....	-----	-----	-----
25 Unobligated balance lapsing.....	85	-----	-----
New obligational authority.....	12,421	12,789	13,964
New obligational authority:			
40 Appropriation.....	12,421	12,421	13,964
46 Proposed transfer from other funds for civilian pay increases.....	-----	368	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	12,336	12,789	13,964
72 Obligated balance, start of year.....	2,311	2,483	2,710
74 Obligated balance, end of year.....	-2,483	-2,710	-2,911
77 Adjustments in expired accounts.....	-42	-----	-----
90 Expenditures.....	12,122	12,562	13,763
Expenditures are distributed as follows:			
01 Out of current authorizations.....	12,122	10,079	11,053
02 Out of prior authorizations.....	-----	2,483	2,710

¹ Includes capital outlays as follows: 1967, \$211 thousand; 1968, \$100 thousand; 1969, \$100 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$1,282 thousand (1966 adjustments, -\$42 thousand); 1967, \$927 thousand; 1968, \$927 thousand; 1969, \$927 thousand.

Agricultural economics research in the Department is administered by the Economic Research Service. The results of the research program are relied upon by (a) producers, dealers, importers and exporters as aids in planning the most profitable adjustments in their operations, (b) Government agencies in formulating and administering agricultural programs, and (c) Congress in considering agricultural legislation.

1. *Farm economics*.—Research is conducted to measure, appraise, and analyze on a continuing basis, economic changes that occur in farming and in the use of human and natural rural resources and to indicate needed adjustments.

Research on the economics of farm production includes the economics of organization and management of farms; adjustments in production to prospective demands, and changing technologies; appraisals of costs and returns on farms representative of important types, sizes and locations, and the appraisal of costs of producing important commodities; development of measures of farm output and productivity; problems of farm size and capital requirements; financing of farm enterprises; and appraisal of alternative agricultural production policies and programs.

Natural resources economics is concerned with the economics of use, conservation, development, management and control of natural resources and their relationship to economic activity. It includes economic analysis of land

Federal Funds—Continued**ECONOMIC RESEARCH SERVICE—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued**

and water resources, resource institutions, and the economic and social conditions affecting use of resources.

Economic development is focused upon the well-being and opportunities of rural people. It includes a broad research program on economic development of rural areas, opportunities and employment of rural people and factors affecting them, including local governments and other organizations. Special attention is given to the poor who are found in heavy concentrations among rural people.

The increase requested for 1969 would permit: (1) studies of labor and capital problems in farming; (2) analysis of relationships between the land resource base and economic development; (3) economic studies of water quality management and use in agriculture; and (4) development of economic indicators of changes in the rural economy.

2. *Marketing economics.*—This activity covers economic aspects of marketing farm products, including the nature of farmers' bargaining power; potentials for new products and new uses; market structure, costs and margins; the economic effects of school lunch, special milk, food stamp, and direct food distribution programs.

3. *Domestic and foreign economic analysis.*—Domestic economic analysis is concerned with identifying, measuring, and analyzing: (1) the factors affecting demand, supply, and price of agricultural commodities; (2) relationships between agriculture and the national economy; (3) farm income and the income of the farm population; (4) demand and consumption of farm products; (5) long-term projections of economic growth and demand for farm products; and (6) historical developments in the policies, programs, and organization of the Department.

Foreign economic analysis includes trade studies and investigation of supply-demand relationships. The trade and market studies focus on the problems of developing foreign markets and the effect of these developments on U.S. agricultural production. Research is carried on for more than 100 countries around the world, focusing on the forces affecting supply, demand, and trade in farm products, and their impact on U.S. agricultural exports.

The increase requested for 1969 would provide more intensive work in research on foreign agricultural development.

Object Classification (in thousands of dollars)

Identification code 05-24-1700-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	8,238	9,183	9,736
11.3 Positions other than permanent....	378	281	285
11.5 Other personnel compensation.....	16	19	19
11.8 Special personal service payments...	3	2	2
Total personnel compensation....	8,635	9,485	10,042
12.0 Personnel benefits.....	660	736	784
21.0 Travel and transportation of persons..	261	281	296
22.0 Transportation of things.....	27	29	35
23.0 Rent, communications, and utilities...	233	266	273
24.0 Printing and reproduction.....	218	230	242
25.1 Other services.....	815	455	752
25.2 Services of other agencies.....	1,364	1,213	1,410
26.0 Supplies and materials.....	48	56	65
31.0 Equipment.....	75	38	65
99.0 Total obligations.....	12,336	12,789	13,964

Personnel Summary

Total number of permanent positions.....	1,070	1,076	1,133
Full-time equivalent of other positions.....	56	34	34
Average number of all employees.....	897	943	989
Average GS grade.....	8.8	9.1	9.1
Average GS salary.....	\$9,389	\$10,185	\$10,257

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:

Agriculture:
 Soil Conservation Service:
 "Watershed planning."
 "Watershed protection."
 "Flood prevention."
 "Resource conservation and development."
 "Great Plains conservation program."
 Farmers Home Administration, "Rural renewal."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-24-3917-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Watershed protection.....	122	168	170
2. Other economic research:			
(a) Agriculture.....	141	132	131
(b) Other.....	888	684	699
3. Agency for International Development (Funds appropriated to the President).....	1,031	1,051	966
10 Total obligations.....	2,182	2,035	1,966
Financing:			
11 Receipts and reimbursements from:			
Federal funds.....	-2,182	-2,035	-1,966
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	2,182	2,035	1,966
70 Receipts and other offsets (items 11-17).....	-2,182	-2,035	-1,966
71 Obligations affecting expenditures..	-----	-----	-----
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	1,235	1,366	1,384
11.3 Positions other than permanent.....	80	34	23
11.5 Other personnel compensation.....	22	19	28
Total personnel compensation....	1,337	1,419	1,435
12.0 Personnel benefits.....	103	109	102
21.0 Travel and transportation of persons..	85	98	75
22.0 Transportation of things.....	10	24	28
23.0 Rent, communications, and utilities...	22	24	24
24.0 Printing and reproduction.....	7	25	30
25.1 Other services.....	320	152	118
25.2 Services of other agencies.....	291	177	148
26.0 Supplies and materials.....	7	7	6
99.0 Total obligations.....	2,182	2,035	1,966

Personnel Summary

Total number of permanent positions.....	148	147	139
Full-time equivalent of other positions.....	8	6	3
Average number of all employees.....	123	126	126
Average GS grade.....	8.8	9.1	9.1
Average GS salary.....	\$9,389	\$10,185	\$10,257

STATISTICAL REPORTING SERVICE

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvement, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$13,830,500]** \$14,674,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 ([58 Stat. 742] 7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 411, 411a, 411b, 471, 475, 501, 951, 953, 955-957, 2201-2202, 2248; 42 U.S.C. 1891-1893; *Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-28-1800-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Crop and livestock estimates.....	12,483	13,595	13,847
2. Statistical research and service.....	1,272	640	827
Total program costs, funded ¹	13,755	14,235	14,674
Change in selected resources ²	-27	-----	-----
10 Total obligations.....	13,728	14,235	14,674
Financing:			
25 Unobligated balance lapsing.....	87	-----	-----
New obligational authority.....	13,815	14,235	14,674
New obligational authority:			
40 Appropriation.....	13,822	13,830	14,674
41 Transferred to other accounts.....	-7	-11	-----
43 Appropriation (adjusted).....	13,815	13,819	14,674
46 Proposed transfer from other accounts for civilian pay increases.....	-----	385	-----
Proposed transfer from other accounts.....	-----	31	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	13,728	14,235	14,674
72 Obligated balance, start of year.....	1,064	1,463	1,455
74 Obligated balance, end of year.....	-1,463	-1,455	-1,500
77 Adjustments in expired accounts.....	-52	-----	-----
90 Expenditures.....	13,276	14,243	14,629
Expenditures are distributed as follows:			
01 Out of current authorizations.....	13,276	12,780	13,174
02 Out of prior authorizations.....		1,463	1,455

¹ Includes capital outlay as follows: 1967, \$664 thousand; 1968, \$194 thousand; 1969, \$248 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$321 thousand (1967 adjustments, -\$52 thousand); 1967, \$242 thousand; 1968, \$242 thousand; 1969, \$242 thousand.

The Service administers programs relating to crop and livestock estimates and statistical research and service. The statistical and economic data developed on food and agriculture are essential to farmers, processors, and handlers in making production and marketing decisions, and to legislators, administrators and others concerned with developing and administering agricultural programs. The basic data provided by this service are also essential to economic analysis and other agricultural research programs.

1. *Crop and livestock estimates.*—This service provides the official estimates on this Nation's agriculture, including acreage, yield, and production of crops, stocks, and value of farm commodities, numbers and inventory value of

livestock items. Data collected and published on prices paid and received by farmers are basic to computation of parity prices. Data on approximately 150 crop and livestock products are covered in some 700 reports issued each year. The activity is conducted through 44 State offices serving 50 States, most of which are operated as joint State and Federal services. Cooperative arrangements with State agencies provide a considerable volume of additional data which would not be collected or made available from Federal funds. During 1967 cooperating States expended an estimated \$2.5 million of their own funds on these associated State programs. A comparison of activity data for 1966 and 1967, including work performed under cooperative arrangements is as follows:

	1966 actual	1967 preliminary
Separate mailings of inquiry forms, average per field office.....	397	414
Total questionnaires handled:		
Number distributed.....	9,380,000	9,240,000
Number of returns tabulated.....	2,840,000	2,800,000
Number of objective survey contacts (measurements and interviews).....	176,000	232,000
Number of official reports issued, all offices.....	10,500	10,500
Copies of reports distributed.....	15,300,000	16,300,000
Publications distributed.....	3,420,000	3,570,000
Special requests for information answered by field offices.....	67,300	80,400

2. *Statistical research and service.*—This work includes review of all statistical forms, survey plans, and reporting and recordkeeping requirements originating in the Department and requiring Bureau of the Budget approval; liaison for coordination of statistics within the Department and with other statistical agencies; development of new and improved methods and techniques, and providing technical consulting services to other agencies of the Department; research on and development of sampling, forecasting, and other basic statistical techniques and methods to improve the crop and livestock estimates of the Department; use of and consultation on automatic data processing to develop and adopt this medium for improving the accuracy and timeliness of crop and livestock estimates; and conduct of special surveys relating to the marketing of agricultural products. A comparison of activity data for 1966 and 1967 is as follows:

	1966 actual	1967 actual
Statistical forms—reports (Federal Reports Act): Departmental clearance and review for submission to Bureau of the Budget.....	503	451
Improvement of crop and livestock estimating methods:		
Number of research projects.....	11	6
Special surveys: Number of research projects.....	10	9

In 1969, a group of non-government technical experts, with the assistance of a small staff, will be asked to make a comprehensive review and appraisal of the crop and livestock estimates program of the Service and the relation between this program and others pertaining to the production and marketing of crop and livestock products.

Object Classification (in thousands of dollars)

Identification code 05-28-1800-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	8,235	8,901	9,152
11.3 Positions other than permanent.....	1,117	922	929
11.5 Other personnel compensation.....	81	110	112
Total personnel compensation.....	9,433	9,933	10,193
12.0 Personnel benefits.....	708	838	862
21.0 Travel and transportation of persons.....	920	914	922
22.0 Transportation of things.....	59	81	81
23.0 Rent, communications, and utilities.....	905	1,122	1,275

Federal Funds—Continued**STATISTICAL REPORTING SERVICE—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued****Object Classification (in thousands of dollars)—Continued**

Identification code 05-28-1800-0-1-355	1967 actual	1968 est.	1969 est.
24.0 Printing and reproduction.....	367	405	404
25.1 Other services.....	426	275	253
25.2 Services of other agencies.....	139	116	130
26.0 Supplies and materials.....	143	171	172
31.0 Equipment.....	627	380	382
42.0 Insurance claims and indemnities.....	1	-----	-----
99.0 Total obligations.....	13,728	14,235	14,674

Personnel Summary

Total number of permanent positions.....	1,188	1,198	1,207
Full-time equivalent of other positions.....	230	188	188
Average number of all employees.....	1,296	1,247	1,256
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$7,736	\$8,206	\$8,268

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-28-3918-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Statistical and tabulating services:			
Agriculture.....	2,616	2,394	2,803
Other agencies.....	1,105	478	444
2. Agency for International Development (Funds appropriated to the President).....	144	274	274
Total program costs, funded ¹	3,866	3,146	3,521
Change in selected resources ²	15	-----	-----
10 Total obligations.....	3,881	3,146	3,521
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	-3,848	-3,083	-3,458
14 Non-Federal sources ³	-32	-63	-63
New obligational authority.....	-----	-----	-----

Relation of obligations to expenditures:

10 Total obligations.....	3,881	3,146	3,521
70 Receipts and other offsets (items 11-17).....	-3,881	-3,146	-3,521
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

¹ Includes capital outlay as follows: 1967, \$7 thousand; 1968, \$10 thousand; 1969, \$10 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$0 (1967 adjustments -\$15 thousand); 1967, \$0; 1968, \$0; 1969, \$0.

³ Reimbursements from non-Federal sources are derived from the sale of personal property being replaced (40 U.S.C. 481(c)), and from cooperating State departments of agriculture (7 U.S.C. 1624).

Object Classification (in thousands of dollars)

Identification code 05-28-3918-0-4-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	1,310	1,690	1,902
11.3 Positions other than permanent.....	588	106	108

11.5 Other personnel compensation.....	100	84	85
Total personnel compensation.....	1,998	1,880	2,155
12.0 Personnel benefits.....	181	139	156
21.0 Travel and transportation of persons.....	456	110	113
22.0 Transportation of things.....	17	9	9
23.0 Rent, communications, and utilities.....	352	461	442
24.0 Printing and reproduction.....	81	59	69
25.1 Other services.....	264	171	219
25.2 Services of other agencies.....	425	240	264
26.0 Supplies and materials.....	59	67	74
31.0 Equipment.....	48	10	20
99.0 Total obligations.....	3,881	3,146	3,521

Personnel Summary

Total number of permanent positions.....	193	213	218
Full-time equivalent of other positions.....	121	22	22
Average number of all employees.....	290	222	235
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$7,736	\$8,206	\$8,268

CONSUMER AND MARKETING SERVICE**General and special funds:****CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS**

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, other than Packers and Stockyards Act, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (58 Stat. 742) 7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; [\$89,310,000] \$119,846,000: *Provided*, That this appropriation shall be available pursuant to law (58 Stat. 742) 7 U.S.C. 2225) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater. (7 U.S.C. 51-65, 71-87, 91-99, 241-272, 394, 396, 414a, 415b-d, 423, 431, 440, 450b, 471-476, 501-508, 511-511q, 516, 581-589, 591-599, 1551-1610, 1621-1627, 1901-1906, 2101-2118, 2201-2202, 2220, 2248, 2259; 15 U.S.C. 251-257i, 714-714p; 19 U.S.C. 1306b-1306c; 21 U.S.C. 71-79, 83-91, 94-96, 98, as amended, 451-469; 26 U.S.C. 4817-4818, 4851-4854, 4861-4865, 4871-4877, 6001, 6804, 7233, 7235(c), 7263, 7492-7493, 7701; 31 U.S.C. 725a, 725d; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-32-2500-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Direct program:			
1. Market news service.....	6,314	6,722	7,302
2. Inspection, grading, classing, and standardization:			
(a) Meat inspection.....	41,522	47,699	70,927
(b) Poultry inspection.....	19,777	21,136	24,806
(c) All other.....	14,047	14,135	14,417
3. Regulatory activities.....	4,485	4,689	4,791
4. Administration and coordination of State payments.....	93	100	101
Total direct program costs, funded ¹	86,238	94,481	122,344
Change in selected resources ²	-502	-----	-----
Total direct obligations.....	85,736	94,481	122,344
Reimbursable program:			
2. Inspection, grading, classing, and standardization (obligations) ³	32	1,300	1,300
10 Total obligations.....	85,768	95,781	123,644

Financing:

11 Receipts and reimbursements from: Federal funds:			
"Limitation on administrative expenses, Commodity Credit Corporation"	-2,049	-2,267	-2,288
For emergency preparedness functions..	-32		
Commodity Credit Corporation funds for:			
Grading and classing agricultural commodities		-1,300	-1,300
Warehouse examination	-186	-210	-210
16 Comparative transfers to other accounts.	256		
22 Unobligated balance transferred from other accounts	-2,191	-2,728	
25 Unobligated balance lapsing	2,259		
New obligational authority	83,825	89,276	119,846
New obligational authority:			
40 Appropriation	83,881	89,310	119,846
41 Transferred to other accounts	-56	-34	
43 Appropriation (adjusted)	83,825	89,276	119,846
Relation of obligations to expenditures:			
10 Total obligations	85,768	95,781	123,644
70 Receipts and other offsets (items 11-17)	-2,011	-3,777	-3,798
71 Obligations affecting expenditures	83,757	92,004	119,846
72 Obligated balance, start of year	3,003	3,933	4,206
74 Obligated balance, end of year	-3,933	-4,206	-4,566
77 Adjustments in expired account	96		
90 Expenditures	82,923	91,731	119,486
Expenditures are distributed as follows:			
01 Out of current authorizations	80,008	87,960	115,316
02 Out of prior authorizations	2,915	3,771	4,170

¹ Includes capital outlay as follows: 1967, \$361 thousand; 1968, \$451 thousand; 1969, \$614 thousand.

² Selected resources as of June 30, are as follows: Unpaid undelivered orders, 1966, \$699 thousand (1967 adjustments, \$90 thousand); 1967, \$287 thousand; 1968, \$287 thousand; 1969, \$287 thousand.

³ Includes capital outlay as follows: 1967, \$0; 1968, \$1 thousand; 1969, \$3 thousand.

These activities provide consumer protection through inspection for wholesomeness of meat and poultry products. They assist producers and handlers of agricultural commodities through various marketing and regulatory services. These activities are continuing to increase and become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the market structure undergoes dramatic changes. The marketing changes include such practices as concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming. The individual activities include:

1. *Market news service.*—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This day-to-day market information enables American farmers to determine where and when to sell and at what price. The information is collected and disseminated at year-round and seasonal offices maintained in more than 130 cities and towns, often with local and other support and cooperation, generally from State departments of agriculture. Dissemination is made primarily by radio, television, and mimeographed reports. The increase will provide for mandatory increases in leased wire rates. The volume of work performed is indicated by examples given in the following table:

MARKET NEWS SERVICE

States covered by cooperative agreement	1965 actual	1966 actual	1967 actual
Field offices:			
Year-round	181	180	177
Seasonal	40	37	39
Buyers and sellers interviewed	22,043	20,516	20,597
Mimeographed releases to growers, shippers, and others	20,671,130	20,954,139	21,492,489
Names on mailing list	202,310	188,707	193,893

2. *Inspection, grading, classing, and standardization.*—(a) *Meat inspection.*—Federal meat inspection is required for all meat and meat products moving in interstate and foreign commerce to assure a clean and wholesome meat supply for human consumption, free from adulteration, and truthfully labeled. The work includes inspection of animals, carcasses, meat, and meat-food products at various stages of handling and processing. Measures are enforced to assure informative labeling, and that meats imported or exported are inspected. The Federal program also provides financial and technical assistance to States for improving the quality of their inspection programs.

The estimates for 1969 include increases to provide for inspection of additional plants and expanded facilities in presently inspected plants, and for implementation of the Wholesome Meat Act of 1967, including financial and technical assistance to States.

The volume of inspections and examinations is indicated by examples given in the following table:

MEAT INSPECTION

	1966 actual	1967 actual	1968 estimate	1969 estimate
Number of establishments covered	1,931	1,973	2,084	3,708
Cities in which plants are located	812	820	860	1,091
Post mortem inspection (thousands)	104,988	112,853	111,842	114,396
Animals and carcasses condemned (thousands)	265	268	282	295
Inspection of processed meat and meat-food products (million pounds)	19,840	21,007	21,100	50,654
Number of States cooperating under Wholesome Meat Act				38

(b) *Poultry inspection.*—Inspection of poultry meat and poultry meat products for wholesomeness is provided pursuant to the Poultry Products Inspection Act of 1957. All poultry processed in plants shipping in interstate or foreign commerce is required to be inspected both before and after slaughter. Birds found to be unfit for human consumption are condemned and removed from channels of trade. Legislation is being proposed to strengthen the poultry inspection program along the lines of the Wholesome Meat Act of 1967.

The increase for 1969 provides for inspection of an anticipated increased volume of poultry and poultry products. The volume of work performed is indicated in examples given below.

POULTRY INSPECTION

	1967 actual	1968 estimate	1969 estimate
Billion pounds to be inspected	14.0	14.5	16.3
Plants under inspection June 30	905	917	941
Operating lines under inspection June 30	1,482	1,535	1,663

(c) *All other (inspection, grading, classing, and standardization).*—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of produce to promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of

Federal Funds—Continued**CONSUMER AND MARKETING SERVICE—Con.****General and special funds—Continued****CONSUMER PROTECTIVE, MARKETING AND REGULATORY PROGRAMS—Continued**

uniform quality products for market; and furnish consumers with more definite information on the quality of products they buy. The standards are applied by or under the supervision of Federal employees at the request of any interested party, and generally for a fee. Approximately 79% of the total cost of this work was offset by fees and other revenue in 1967.

Legislation is being proposed to amend the U.S. Grain Standards Act in order to meet the requirements of the modern grain merchandising system. Legislation is also being proposed to (1) amend the Tobacco Inspection Act, U.S. Grain Standards Act, and the Cotton Statistics and Estimates Act to recover in fees the full cost of the special benefit portion of the service; and (2) repeal the Naval Stores and Wool Standards Acts resulting in a reduction of \$10,130 thousand in appropriated funds for 1969. The volume of work performed is indicated by examples given in the following tables:

STANDARDIZATION ACTIVITIES

	1965 actual	1966 actual	1967 actual
Grade standards in effect.....	545	549	550
Number of commodities covered.....	313	315	315

INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS

	1967 actual	1968 estimate	1969 estimate
Cotton classing by Federal employees (samples).....	18,301,484	16,000,000	15,500,000
Grain inspections by licensees.....	3,195,862	3,500,000	3,600,000
Volume inspected (thousand tons)---	223,010	245,000	250,000
Tobacco auction markets.....	175	175	175
Volume inspected at markets (million pounds).....	1,920	2,000	2,050
Sets of buyers.....	236	236	236

3. *Regulatory activities.*—These include the administration of regulatory laws such as Standard Container, U.S. Warehouse, and Federal Seed Acts to assure fair play in the marketplace to protect producers and handlers of agricultural commodities from financial loss due to careless or fraudulent marketing practices and to preserve free and open competition in the marketing of farm products. Assistance is also provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies. The Cotton Research and Promotion Act, approved July 13, 1966, is being administered under this item. This law is designed to improve the competitive position and expand markets for cotton through a program of self-assessment by cotton producers.

Legislation is being proposed to amend the U.S. Warehouse Act to recover the full cost of administering this act, and to repeal the Naval Stores Act, the Tobacco Seed and Plant Exportation Act, and the two Standard Container Acts resulting in a total reduction of \$1,525 thousand for 1969.

The volume of work performed is indicated by examples given in the following table:

REGULATORY ACTIVITIES

	1967 actual	1968 estimate	1969 estimate
Warehouse Act:			
Number of licensed warehouses.....	1,906	1,970	2,050
Capacity of licensed warehouses:			
Grain (million bushels).....	1,479	1,550	1,600
Cotton (million bales).....	16.0	16.2	16.3
Average number supervisory inspections per warehouse:			
Grain.....	1.9	1.9	1.9
Cotton.....	1.8	1.8	1.8
Seed Act:			
Import actions.....	7,518	7,500	7,500
Interstate investigations:			
Completed.....	636	1,000	1,200
Pending.....	803	700	500
Seed samples tested.....	10,797	11,350	11,650
Transportation services:			
Formal litigation.....	42	73	75
Informal negotiations.....	32	50	55

4. *Administration and coordination of State payments.*—This project covers the Federal activity required in administering and coordinating the marketing service work performed by the States and financed jointly by State funds and Federal funds provided by the appropriation, Payments to States and Possessions. In 1967 this work was carried on in 44 States and 171 work projects.

Object Classification (in thousands of dollars)

Identification code 05-32-2500-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	63,075	69,510	78,811
11.3 Positions other than permanent.....	5,595	6,461	6,538
11.5 Other personnel compensation.....	664	718	723
11.8 Special personal service payments.....		1	1
Total personnel compensation.....	69,334	76,690	86,073
Direct obligations:			
Personnel compensation.....	69,308	75,763	85,146
12.0 Personnel benefits.....	5,402	6,411	7,171
13.0 Benefits for former personnel.....	12	3	3
21.0 Travel and transportation of persons.....	4,445	4,948	5,968
22.0 Transportation of things.....	725	680	1,131
23.0 Rent, communications, and utilities.....	2,389	2,621	3,347
24.0 Printing and reproduction.....	370	474	745
25.1 Other services.....	1,015	1,001	1,423
25.2 Services of other agencies.....	1,096	1,274	1,447
26.0 Supplies and materials.....	598	733	931
31.0 Equipment.....	374	245	734
41.0 Grants, subsidies, and contributions.....		321	14,291
42.0 Insurance claims and indemnities.....	2	7	7
Total direct obligations.....	85,736	94,481	122,344
Reimbursable obligations:			
Personnel compensation.....	26	927	927
12.0 Personnel benefits.....	2	70	70
21.0 Travel and transportation of persons.....	3	104	104
22.0 Transportation of things.....		67	67
23.0 Rent, communications, and utilities.....		69	69
24.0 Printing and reproduction.....		9	9
25.1 Other services.....		11	11
26.0 Supplies and materials.....	1	36	36
31.0 Equipment.....		7	7
Total reimbursable obligations.....	32	1,300	1,300
99.0 Total obligations.....	85,768	95,781	123,644

Personnel Summary

Total number of permanent positions.....	8,408	8,971	10,216
Full-time equivalent of other positions.....	951	1,016	1,024
Average number of all employees.....	8,513	9,105	10,175
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,195

Proposed for separate transmittal, existing legislation:

CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS

Program and Financing (in thousands of dollars)

Identification code	05-32-2500-1-1-355	1967 actual	1968 est.	1969 est.
Program by activities:				
1.	Market News Service		62	
2.	Inspection, grading, classing, and standardization:			
(a)	Meat inspection		4,489	
(b)	Poultry inspection		1,450	
(c)	All other		24	
3.	Regulatory activities		2	
10	Total (costs—obligations)		6,027	
Financing:				
22	Unobligated balance transferred from other accounts for postal costs		—105	
40	New obligational authority (proposed supplemental appropriation)		5,922	
Relation of obligations to expenditures:				
71	Total obligations (affecting expenditures)		6,027	
72	Obligated balance, start of year			463
74	Obligated balance, end of year		—463	
90	Expenditures		5,564	463
Expenditures are distributed as follows:				
01	Out of current authorizations		5,564	
02	Out of prior authorizations			463

The supplemental appropriation will provide \$1,446 thousand to finance inspection of an additional 545 million pounds of poultry in 1968, and \$4,476 thousand for implementing meat inspection programs authorized by the Wholesome Meat Act of 1967, Public Law 90-201, including \$200,000 for the Office of the General Counsel.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,750,000. (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code	05-32-2501-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:				
10	Payment for marketing service work (sec. 204(b) of the Agricultural Marketing Act of 1946) (costs—obligations) (object class 41.0)	1,750	1,750	1,750
Financing:				
40	New obligational authority (appropriation)	1,750	1,750	1,750
Relation of obligations to expenditures:				
71	Total obligations (affecting expenditures)	1,750	1,750	1,750
90	Expenditures	1,750	1,750	1,750
Expenditures are distributed as follows:				
01	Out of current authorizations	1,750	1,750	1,750

Payments are made on a matching fund basis to State marketing agencies for carrying out specifically approved marketing service programs designed to bring about improved marketing. Under this activity, marketing specialists work with farmers, marketing firms, and agencies

in solving marketing problems and in putting to use marketing research results.

This program covers such projects as methods of maintaining and improving the quality of products, ways of reducing marketing costs, expanding outlets for surplus products, the collection and dissemination of special State and local market information and statistics, and improving the organizational structure of the marketing system. Through this cooperative approach, the Federal Government's leadership and money are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems.

STATE PAYMENTS ACTIVITY

Activity	1966 actual	1967 estimate	1968 estimate
Number of States participating	44	44	44
Number of projects	154	171	70

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Child Nutrition Act of 1966 (80 Stat. 885-890) 42 U.S.C. 1772), \$104,000,000, to be transferred from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c). (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code	05-32-2502-0-1-659	1967 actual	1968 est.	1969 est.
Program by activities:				
	1. Cash payments to States	99,689	103,332	103,325
	2. Operating expenses	534	668	675
	Total program costs, funded ¹	100,223	104,000	104,000
	Change in selected resources ²	4		
10	Total obligations	100,227	104,000	104,000
Financing:				
25	Unobligated balance lapsing	3,773		
	New obligational authority	104,000	104,000	104,000
New obligational authority:				
Current authorization:				
40	Appropriation	51,000		
Permanent authorization:				
60	Appropriation	0	0	0
62	Transferred from "Removal of surplus agricultural commodities" (80 Stat. 695 and 81 Stat. 326)	53,000	104,000	104,000
63	Appropriation (adjusted)	53,000	104,000	104,000
Relation of obligations to expenditures:				
71	Total obligations (affecting expenditures)	100,227	104,000	104,000
72	Obligated balance, start of year	12,724	15,936	17,936
74	Obligated balance, end of year	—15,936	—17,936	—19,936
77	Adjustments in expired accounts	—949		
90	Expenditures	96,066	102,000	102,000
Expenditures are distributed as follows:				
01	Out of current authorizations	84,293	86,064	84,064
02	Out of prior authorizations	11,773	15,936	17,936

¹ Includes capital outlay as follows: 1967, \$6 thousand; 1968, \$4 thousand; 1969, \$4 thousand; excludes downward adjustment of \$948 thousand in prior year costs.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$3 thousand; 1967, \$7 thousand; 1968, \$7 thousand; 1969, \$7 thousand.

1. *Cash payments to States.*—This program is designed to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under, child-care centers, summer camps, and similar nonprofit institutions.

Funds are provided under letters of credit to State agencies to reimburse eligible participants for a part of

Federal Funds—Continued**CONSUMER AND MARKETING SERVICE—Con.****General and special funds—Continued****SPECIAL MILK PROGRAM—Continued**

the cost of the fluid milk consumed. Based upon available funds, and prior year participation, initial reserves were established for each State for reimbursement payments through fiscal year 1967. Beginning in fiscal year 1968, available funds are apportioned among the States on the basis of payments made to schools and child-care institutions for program reimbursement during the preceding fiscal year.

In especially needy schools, reimbursement payments may be made for the full cost of this milk for children who are unable to pay.

In 1967 over 3 billion half pints of fluid milk were consumed by children—over six times the quantity in 1955, the first year of operation of the program. This represents more than 2½% of the total nonfarm consumption of fluid milk in the United States.

Program activities from 1965 through 1968 are as follows:

	1965 actual	1966 actual	1967 prelimi- nary	1968 estimate
Outlets participating.....	92,005	97,437	95,139	98,000
Half pints of milk reimbursed (millions) ..	2,966.8	3,059.1	3,027.2	3,180.0
Average reimbursement rate per half pint (cents).....	3.28	3.14	3.29	3.25

2. *Operating expenses.*—Administrative and technical assistance is furnished to State agencies, participating schools, and child-care institutions. Policies, procedures, and standards are developed for administering the program and determining eligibility. The program is administered directly in some 8,000 outlets where no State agency has assumed the responsibility for its administration or is prohibited by law from disbursing funds to such participants.

Object Classification (in thousands of dollars)

Identification code 05-32-2502-0-1-659	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	414	522	528
11.3 Positions other than permanent.....	3	-----	-----
11.5 Other personnel compensation.....	3	1	1
Total personnel compensation.....	420	523	529
12.0 Personnel benefits.....	32	40	41
21.0 Travel and transportation of persons..	25	47	47
22.0 Transportation of things.....	1	1	1
23.0 Rent, communications, and utilities..	28	27	27
24.0 Printing and reproduction.....	7	7	7
25.1 Other services.....	3	5	5
26.0 Supplies and materials.....	11	14	14
31.0 Equipment.....	11	4	4
41.0 Grants, subsidies, and contributions..	99,689	103,332	103,325
99.0 Total obligations.....	100,227	104,000	104,000

Personnel Summary

Total number of permanent positions.....	60	70	70
Average number of all employees.....	57	65	65
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,179

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751-1760) and the applicable provisions of the Child Nutrition Act of 1966 (80 Stat. 885-890), \$182,825,000, of which not less than \$14,325,000 shall be used for the purposes of section 6 of the National School Lunch Act [42 U.S.C. 1773-1785], \$184,443,000 including [\$5,000,000] \$10,000,000 for special assistance to needy schools, [\$3,500,000] \$6,500,000 for the pilot school breakfast program, [\$750,000] \$6,000,000 for the nonfood assistance program, and \$2,300,000 for State administrative expenses: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of the National School Lunch Act, as amended: *Provided further*, That [\$45,000,000] \$64,325,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-32-2539-0-1-659	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Food assistance:			
(a) Cash payments to States.....	147,684	155,000	157,097
(b) Special cash assistance.....	1,958	5,000	10,000
(c) Commodity procurement.....	58,979	55,825	64,325
2. Pilot school breakfast program.....	599	3,500	6,500
3. Nonfood assistance program.....	711	750	6,000
4. State administrative expenses.....	-----	-----	2,300
5. Operating expenses.....	1,705	2,127	2,546
Total program costs, funded ¹	211,636	222,202	248,768
Change in selected resources ²	210	-----	-----
10 Total obligations.....	211,846	222,202	248,768
Financing:			
25 Unobligated balance lapsing.....	1,759	5,623	-----
New obligational authority.....	213,605	227,825	248,768
New obligational authority:			
Current authorization:			
40 Appropriation.....	168,605	182,825	184,443
Permanent authorization:			
62 Transferred from "Removal of surplus agricultural commodities" (80 Stat. 695 and 81 Stat. 326).....	45,000	45,000	64,325
63 Appropriation (adjusted).....	45,000	45,000	64,325
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	211,846	222,202	248,768
72 Obligated balance, start of year.....	18,546	22,035	24,412
74 Obligated balance, end of year.....	-22,035	-24,412	-27,136
77 Adjustments in expired accounts.....	-59	-----	-----
90 Expenditures.....	208,298	219,825	246,044
Expenditures are distributed as follows:			
01 Out of current authorizations.....	189,812	197,790	221,632
02 Out of prior authorizations.....	18,486	22,035	24,412

¹ Includes capital outlay as follows: 1967, \$17 thousand; 1968, \$20 thousand; 1969, \$20 thousand; excludes downward adjustment of \$59 thousand in prior year costs.

² Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders.....	8	46	46	46
Advances.....	-	172	172	172
Total.....	8	218	218	218

1. *Food assistance*, in the form of both funds and food, is provided to the States, as defined in the act, in serving lunches to schoolchildren. Each State's portion of the

funds available is determined by a statutory formula. The formula takes into account the participation rate in the State, and the relationship between the per capita income of the State and the average U.S. per capita income. In addition, there is provision for special cash assistance to needy schools serving free or reduced-price lunches.

The increase for 1969 would provide for some growth in both cash and commodities for the regular program, and for expanding the special assistance program to reach more needy schools.

The program is operated under an agreement entered into by the State educational agency and the Department of Agriculture. Funds are advanced under letters of credit to State agencies for use in reimbursing participating schools. Schools make application to the State agency and, if accepted, are reimbursed for a part of the food cost of each lunch served. In 1967, the States contributed \$1,272 million to this program, most of which came from payments by children. This was far in excess of the statutory matching requirement of \$3 for each Federal dollar of cash payment.

This appropriation is also used to purchase food for distribution to the schools to help meet the nutritional requirements of the lunches. Transfers are made to this appropriation from the fund, Removal of Surplus Agricultural Commodities, for the purchase and distribution of agricultural commodities and other foods. Further, commodities acquired under price support and surplus removal programs are available to the schools. The volume of surplus commodities distributed to schools, however, depends upon market conditions.

The program during the peak month in 1967 provided lunches to over 36.5% of the approximately 50.5 million schoolchildren in the country. The number of lunches served increased approximately 1.7% over 1966. Participation in the program in November 1966 reached 18.5 million children in 72,944 schools and an appreciable increase is expected in 1968 and 1969.

During 1967 over \$1,088 million worth of agricultural commodities and other foods were used in the program. About 18% of this amount represented commodities contributed under section 6 of the School Lunch Act and the Federal surplus removal and price support program. Over 82% of the food used in the program was purchased by the schools through local suppliers.

PROGRAM PARTICIPATION

	1966 actual	1967 preliminary	1968 estimate	1969 estimate
Number of schools (peak participation) ..	71,162	72,944	73,500	74,000
Number of schoolchildren (peak thousands) ..	18,040	18,456	19,600	20,200
Number of lunches served (millions) ..	3,093	3,147	3,336	3,503

PROGRAM FINANCING

[In millions of dollars]

	1964	1965	1966	1967
State and local contributions (total, including payments by children) ..	1,011.4	1,090.0	1,185.2	1,272.0
Federal appropriation (National School Lunch Act):				
(a) Cash payments ..	120.8	130.4	139.1	147.7
(b) Special cash assistance ..			1.9	2.0
(c) Commodity distribution (sec. 6) ..	59.3	59.5	58.0	57.9
Surplus commodity distribution ..	135.7	212.9	116.8	130.4

Special milk program ..	96.1	94.3	93.1	96.6
Federal contributions ..	411.9	497.1	408.9	434.6
Total, all contributions ..	1,423.3	1,587.1	1,594.1	1,706.6

2. *Pilot school breakfast program.*—The Child Nutrition Act of 1966 authorized a school breakfast program for 2 years on a pilot basis to assist States through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in schools.

Funds are apportioned to States by a statutory formula. While the basic payments are limited to food assistance, in circumstances of severe need financial assistance may be authorized up to 80% of the operating costs. Applicant schools must provide justification of the need for additional assistance.

The program is operated in schools drawing attendance from areas in which poor economic conditions exist and where a substantial portion of the children enrolled travel long distances. During fiscal year 1967, programs operated in 752 schools in 47 States, the District of Columbia, Guam, Puerto Rico, and American Samoa.

More than 75% of the breakfasts were served free or at token charges to children.

PROGRAM PARTICIPATION

	1967 preliminary	1968 estimate	1969 estimate
Number of schools (peak participation) ..	752	1,000	2,000
Number of school children (peak thousands) ..	80	155	290
Number of breakfasts served (millions) ..	4.1	28.0	52.0

The present authorization will expire at the end of fiscal year 1968. Legislation is proposed to extend the program.

3. *Nonfood assistance program.*—The Child Nutrition Act of 1966 authorized a permanent program to assist the States through grants-in-aid and other means to supply schools in low-income areas with food service equipment, other than land or buildings.

Applicant schools are required to justify their need for assistance on a project basis and to submit a detailed description of the equipment to be acquired and their proposals for its use in meeting the nutritional needs of children. In addition, State and local sources must bear 25% of the cost of equipment or facilities financed under this authority.

In fiscal year 1967 over 490 schools in all States, the District of Columbia, Guam, and American Samoa, serving meals to some 200,000 children, received equipment assistance of over \$711 thousand. In 71 of these schools, no food service had been available prior to receiving equipment funds.

PROGRAM PARTICIPATION

	1967 preliminary	1968 estimate	1969 estimate
Number of schools assisted ..	490	500	600

4. *State administrative expenses.*—The Child Nutrition Act of 1966 provides for advances to each State educational agency for administrative expenses. These funds are to be used for supervising and giving technical assistance to the local school districts for the administration of additional activities undertaken by them to extend the school lunch special assistance, school breakfast, and nonfood assistance programs to reach more needy children.

5. *Operating expenses.*—Consist of overall administration of the several programs including policy formulation

Federal Funds—Continued**CONSUMER AND MARKETING SERVICE—Con.****General and special funds—Continued****SCHOOL LUNCH PROGRAM—Continued**

and administrative reviews; administrative and technical assistance to State agencies and participating schools; and administering the program directly in over 3,000 private schools, in 28 States and Guam, where the State educational agency is prohibited by law from disbursing funds.

Object Classification (in thousands of dollars)

Identification code 05-32-2539-0-1-659	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	1,147	1,520	1,865
11.3 Positions other than permanent.....	10	1	1
11.5 Other personnel compensation.....	3	5	7
Total personnel compensation.....	1,160	1,526	1,873
12.0 Personnel benefits.....	92	119	145
21.0 Travel and transportation of persons.....	96	128	134
22.0 Transportation of things.....	2	5	5
23.0 Rent, communications, and utilities.....	66	70	75
24.0 Printing and reproduction.....	25	25	27
25.1 Other services.....	19	11	11
25.2 Services of other agencies.....	235	220	240
26.0 Supplies and materials.....	10	14	27
Grants of commodities to States.....	59,151	55,825	64,325
31.0 Equipment.....	37	9	9
41.0 Grants, subsidies, and contributions.....	150,953	164,250	181,897
99.0 Total obligations.....	211,846	222,202	248,768

Personnel Summary

Total number of permanent positions.....	164	197	261
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	128	170	210
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,179

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, as amended, ["\$161,800,000, and in addition \$23,200,000 appropriated under this head in Public Law 89-556, approved September 7, 1966, shall be merged with this appropriation] \$225,000,000. (7 U.S.C. 2011-2025; 81 Stat. 228; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-32-2505-0-1-659	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Program costs.....	110,846	175,787	210,510
2. Operating expenses.....	5,167	9,158	14,490
Total program costs, funded ¹.....	116,013	184,945	225,000
Change in selected resources ²	286	-----	-----
10 Total obligations.....	116,299	184,945	225,000
Financing:			
25 Unobligated balance lapsing.....	23,201	-----	-----
New obligational authority.....	139,500	184,945	225,000

New obligational authority:			
40 Appropriation.....	110,000	161,800	225,000
41 Transferred to other accounts.....	-24	-55	-----
43 Appropriation (adjusted).....	109,976	161,745	225,000
50 Reappropriation.....	29,525	23,200	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	116,299	184,945	225,000
72 Obligated balance, start of year.....	2,129	3,916	10,916
74 Obligated balance, end of year.....	-3,916	-10,916	-12,916
77 Adjustments in expired accounts.....	-418	-----	-----
90 Expenditures.....	114,095	177,945	223,000
Expenditures are distributed as follows:			
01 Out of current authorizations.....	112,539	174,029	212,084
02 Out of prior authorizations.....	1,556	3,916	10,916

¹ Includes capital outlay as follows: 1967, \$70 thousand; 1968, \$114 thousand; 1969, \$114 thousand; excludes downward adjustment of \$418 thousand in prior year costs.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$783 thousand; 1967, \$1,069 thousand; 1968, \$1,069 thousand; 1969, \$1,069 thousand.

This program aims at providing increased nutrition to households with limited resources and, thus, at making more effective use of our food abundance. Food coupons which may be used in retail stores for the purchase of commercial brand foods are issued to needy households that qualify to participate. The program is inaugurated at the request of State welfare agencies, and these agencies are responsible for certification and coupons issuance functions.

The Department determines the allotment of coupons for each household unit, including the portion to be purchased, based on income, food needs, and other factors. The participant's normal food expenditure is maintained by the purchase requirement. The supplemental or bonus coupons, provided free of charge, permit the family to upgrade its diet.

Coupons are issued by a non-Federal issuing office. Cash paid for the coupons by participants is deposited periodically in a designated Federal depository. Food stores receive cash or credit for the coupons from any commercial bank, which must accept them at face value. The coupons then flow through regular banking channels to the Federal Reserve banks where they are redeemed.

The Food Stamp Act of 1964 was amended on September 27, 1967, to provide appropriation authority of \$200 million for fiscal year 1968 and \$225 million for fiscal year 1969. Legislation will be proposed to increase the 1969 limitation to \$245 million.

In 1968, \$184.9 million will finance the program in areas in operation on July 1, 1967, and permit expansion to reach a total of about 2.7 million persons by June 30, 1968. The increase ¹ for 1969 would provide for financing, on a full-year basis, the program level expected by June 30, 1968, and for further expansion. Total participation by the end of fiscal year 1969 will depend upon the time at which new areas are brought into the program, the number of participants in each of these areas, and continuing efforts to bring eligible nonparticipants into the program in areas already in operation. It is estimated that total participation by the end of the year could reach 2,964 thousand. This would be an increase of 219 thousand above the total expected at the end of fiscal year 1968.

The following table reflects coverage, participation, and costs for fiscal years 1962 (the first full year of operation of the pilot program) and 1967, and estimates for 1968 and 1969 (dollars in millions):

	1962 actual	1967 actual	1968 estimate	1969 estimate ¹
Number of areas by year end....	8	838	1,239	1,350-1,450
Number of participants at year end	140,736	1,831,888	2,745,000	2,964,000
Total value coupons issued.....	\$35.2	\$296.1	\$430.8	\$561.5
Amount paid by participants (for deposit to redemption account)	\$22.0	\$190.6	\$262.8	\$342.5
Value of bonus (free) coupons is- sued.....	\$13.2	\$105.5	\$168.0	\$219.0
Federal costs:				
Program.....	\$13.4	\$111.1	\$175.8	\$229.5
Administrative.....	\$0.7	\$5.2	\$9.1	\$15.5

¹ Includes \$20 million financing being requested under proposed legislation.

Object Classification (in thousands of dollars)

Identification code 05-32-2505-0-1-659	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	3,730	6,226	9,301
11.3 Positions other than permanent....	38	131	1,315
11.5 Other personnel compensation.....	13	9	55
Total personnel compensation....	3,781	6,366	10,671
12.0 Personnel benefits.....	305	515	863
21.0 Travel and transportation of persons..	415	605	1,070
22.0 Transportation of things.....	90	266	402
23.0 Rent, communications, and utilities....	357	642	804
24.0 Printing and reproduction.....	1,971	3,857	4,831
25.1 Other services.....	61	309	454
25.2 Services of other agencies.....	97	207	207
26.0 Supplies and materials.....	69	187	197
31.0 Equipment.....	111	191	201
41.0 Grants, subsidies, and contributions....	109,042	171,800	205,300
99.0 Total obligations.....	116,299	184,945	225,000

Personnel Summary

Total number of permanent positions.....	875	1,073	1,354
Full-time equivalent of other positions.....	9	25	283
Average number of all employees.....	547	907	1,523
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,179

PERISHABLE AGRICULTURAL COMMODITIES ACT

Program and Financing (in thousands of dollars)

Identification code 05-32-5070-0-2-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Licensing dealers and handling com- plaints (program costs, funded) ¹	856	918	979
Change in selected resources ²	-2	-----	-----
10 Total obligations.....	854	918	979
Financing:			
21 Unobligated balance available, start of year	-329	-369	-356
24 Unobligated balance available, end of year	369	356	282
60 New obligational authority (appro- priation) (permanent, indefinite, special fund).....	894	905	905
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	854	918	979
72 Obligated balance, start of year.....	46	49	51
74 Obligated balance, end of year.....	-49	-51	-52
90 Expenditures.....	851	916	978

Expenditures are distributed as follows:

01 Out of current authorizations.....	806	868	928
02 Out of prior authorizations.....	45	48	50

¹ Includes capital outlay as follows: 1967, \$3 thousand; 1968, \$3 thousand; 1969, \$3 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$2 thousand; 1967, \$0.3 thousand; 1968, \$0.3 thousand; 1969, \$0.3 thousand.

License fees are deposited in this special fund and are used to meet costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491-497, 499a-499s). The law provides that annual license fees may be set at a maximum of \$50. The fee is presently \$42.

The acts are intended to assure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and (c) suspension or revocation of license and/or publication of the facts.

WORKLOAD FACTORS

Activity	1966 actual	1967 estimate	1968 estimate
Number of reparation actions.....	12,913	13,358	13,120
Number of disciplinary actions.....	285	313	300
Number of misbranding actions.....	3,671	3,166	3,400
Number of license actions.....	24,890	23,666	22,792

Object Classification (in thousands of dollars)

Identification code 05-32-5070-0-2-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	684	737	780
11.3 Positions other than permanent....	4	6	6
11.5 Other personnel compensation.....	4	5	5
Total personnel compensation....	692	748	791
12.0 Personnel benefits.....	52	57	63
21.0 Travel and transportation of persons..	38	36	45
22.0 Transportation of things.....	1	1	1
23.0 Rent, communications, and utilities....	44	44	46
24.0 Printing and reproduction.....	7	16	17
25.1 Other services.....	5	5	5
25.2 Services of other agencies.....	2	-----	-----
26.0 Supplies and materials.....	8	8	8
31.0 Equipment.....	5	3	3
99.0 Total obligations.....	854	918	979

Personnel Summary

Total number of permanent positions.....	99	104	104
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	91	93	97
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,179

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than \$2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Federal Funds—Continued**CONSUMER AND MARKETING SERVICE—Con.****General and special funds—Continued**REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES
(SECTION 32)—Continued

Program and Financing (in thousands of dollars)

Identification code 05-32-5209-0-2-351	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Commodity program payments:			
(a) Direct purchases.....	114,748	169,020	172,295
(b) Diversion payments.....	-----		
(c) Export payments.....	-----		
2. Surplus removal operating expenses.....	3,277	4,032	4,447
3. Marketing agreements and orders.....	2,184	3,000	3,025
Total program costs, funded ¹	120,209	176,052	179,767
Change in selected resources ²	59,521	-----	-----
10 Total obligations.....	179,730	176,052	179,767
Financing:			
17 Recovery of prior year obligations.....	-157	-----	-----
21 Unobligated balance available, start of year.....	-300,000	-300,000	-300,000
22 Unobligated balance transferred from other accounts.....	-----	-317	-----
24 Unobligated balance available, end of year.....	300,000	300,000	300,000
25 Unobligated balance lapsing.....	181,467	228,616	226,791
New obligational authority (permanent, indefinite, special fund).....	361,040	404,351	406,558
New obligational authority:			
60 Appropriation.....	493,936	578,912	600,000
61 Transferred to:			
"Promote and develop fishery products and research pertaining to American fisheries," Bureau of Commercial Fisheries, Department of the Interior (15 U.S.C. 713c, as amended by Act of Aug. 8, 1956).....	-6,779	-7,444	-7,000
"School lunch program," Consumer and Marketing Service (80 Stat. 695 and 81 Stat. 326).....	-45,000	-45,000	-64,325
"Special milk program," Consumer and Marketing Service (80 Stat. 695 and 81 Stat. 326).....	-53,000	-104,000	-104,000
"Salaries and expenses," Foreign Agricultural Service (80 Stat. 695; 81 Stat. 327).....	-3,117	-3,117	-3,117
"Salaries and expenses," Agricultural Research Service (80 Stat. 689 and 81 Stat. 320).....	-25,000	-15,000	-15,000
63 Appropriation (adjusted).....	361,040	404,351	406,558
Relation of obligations to expenditures:			
10 Total obligations.....	179,730	176,052	179,767
70 Receipts and other offsets (items 11-17).....	-157	-----	-----
71 Obligations affecting expenditures.....	179,573	176,052	179,767
72 Obligated balance, start of year.....	11,078	45,232	46,284
74 Obligated balance, end of year.....	-45,232	-46,284	-46,051
90 Expenditures.....	145,419	175,000	180,000
Expenditures are distributed as follows:			
01 Out of current authorizations.....	134,341	129,768	133,716
02 Out of prior authorizations.....	11,078	45,232	46,284

¹ Includes capital outlay as follows: 1967, \$15 thousand; 1968, \$38 thousand; 1969, \$38 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Stores.....	2,629	14,919	14,919	14,919
Unpaid undelivered orders.....	8,709	44,609	44,609	44,609
Advances.....	892	12,066	12,066	12,066
Total selected resources.....	12,230	71,594	71,594	71,594

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30% of customs receipts collected during each calendar year (except for an amount equal to 30% of such receipts collected on fishery products transferred to the Department of Interior to encourage the distribution of fishery products), plus unused balances up to \$300 million are available for expanding domestic and foreign market outlets for farm commodities. As provided in recent appropriation acts, transfers have been made from this fund primarily to the school lunch program for the purchase and distribution of agricultural commodities and the special milk program to cover the full or partial cost of milk served to schoolchildren. Section 32 funds are also authorized for the administration of marketing agreements and orders. The basic legislation provides that funds devoted to any one commodity or product thereof must not exceed 25% of funds available. It also provides that the funds must be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. It has been determined that this provision can be legally satisfied by setting aside or reserving the principal portion of section 32 funds for the use of perishable nonbasic agricultural commodities.

1. *Commodity program payments* are of four types: (a) *Direct purchases* are donated to schools, summer camps, child-care centers, nonprofit institutions serving needy persons, persons certified by welfare as eligible for relief, and disaster victims; (b) *Diversion payments*, none of which were made in 1967, enable processors to purchase surplus commodities on the domestic market, divert them to byproducts and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities; (c) *Export payments* enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices; (d) *Production payments*, none of which were made in 1967, help to reestablish farmers' purchasing power. During the past 2 years, assistance under these programs was given to the following commodity groups (in millions of dollars).

OBLIGATIONS	1966	1967
Dairy products.....	39.6	-----
Eggs and poultry.....	9.9	4.3
Fats and oils.....	18.0	25.8
Fruits and vegetables.....	11.2	38.0
Grains.....	2.1	5.3
Livestock products.....	22.6	93.9
Peanut butter.....	12.0	6.4
Miscellaneous.....	1.5	.5
Total.....	116.9	174.2

The use of section 32 program funds is contingent upon marketing conditions. The estimates for both 1968 and 1969 reflect the foreseeable needs for perishables and other activities regularly financed with section 32 funds. If troublesome surpluses not now foreseen should develop, steps will be taken to use additional available funds for their removal or diversion as conditions might warrant.

Funds are being used to arrange for certification and distribution of food to low-income families located in counties where there are no recipient agencies that are financially able to distribute food.

2. *Surplus removal operating expenses* occur mainly in connection with purchasing and exporting surplus commodities, and in distributing Section 32 and Commodity Credit Corporation commodities to eligible outlets. Dis-

tribution in 1967, including that under section 6 of the National School Lunch Act, is summarized below (in millions):

Distribution	Number of recipients (peak month)	Value of commodities distributed	Pounds of commodities distributed
By recipients:			
Schoolchildren.....	21.4	\$188.4	833.4
Needy persons.....	3.7	101.0	705.1
Persons in charitable institutions.....	1.3	12.6	130.9
Summer camps.....	1.4	2.6	12.6
Total.....		304.6	1,682.0
By program:			
Sec. 32.....		114.3	490.2
Donation by Commodity Credit Corporation, Sec. 416.....		132.3	956.5
Sec. 6, National School Lunch Act.....		58.0	235.3
Total.....		304.6	1,682.0

In cooperation with the food trade, press, and radio, greater consumption of abundant foods is encouraged through publication of a monthly plentiful foods list and conducting various food drives. In 1967 the monthly plentiful foods list contained an average of seven foods. Eleven national and 13 area, State, and local drives were conducted.

3. *Marketing agreements and orders* are put into effect upon request of producers or handlers after hearings and investigations, and approval of producers (and handlers in case of marketing agreements). They help to stabilize prices, and benefit producers and consumers by establishing and maintaining orderly marketing conditions. Administration at the local level is financed by assessment upon handlers. On June 30, 1967, there were 73 orders in effect for milk, 47 agreements and orders covering tree fruits, nuts, and vegetables, and one order for shade grown tobacco. The expenses of advisory committees established to advise the Secretary, public hearings, referenda to determine producer sentiment and other developmental work as authorized by the Agricultural Act of 1961 is also financed under this project.

Object Classification (in thousands of dollars)

Identification code 05-32-5209-0-2-351	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	3,884	4,518	4,884
11.3 Positions other than permanent.....	32	13	13
11.5 Other personnel compensation.....	11	8	8
Total personnel compensation.....	3,927	4,539	4,905
12.0 Personnel benefits.....	306	354	382
21.0 Travel and transportation of persons.....	214	250	272
22.0 Transportation of things.....	11	25	27
23.0 Rent, communications, and utilities.....	248	335	340
24.0 Printing and reproduction.....	119	230	240
25.1 Other services.....	85	250	250
25.2 Services of other agencies.....	601	938	938
26.0 Supplies and materials.....	33	71	75
Grants of Commodities to States.....	174,167	169,020	172,295
31.0 Equipment.....	19	40	43
99.0 Total obligations.....	179,730	176,052	179,767

Personnel Summary

Total number of permanent positions.....	480	497	553
Full-time equivalent of other positions.....	6	4	4
Average number of all employees.....	419	480	500
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,179

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-32-3925-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Market News Service:			
Department of Agriculture.....	138	137	137
State agencies under cooperative agreement.....	245	248	248
2. Inspection, grading, classing, and standardization:			
Department of Agriculture.....	657	744	744
Other Federal agencies.....	21	20	20
Non-Federal sources.....	14,096	15,207	15,551
3. Agency for International Development (Funds appropriated to the President).....	105	112	117
4. Miscellaneous services to other accounts.....	50	18	18
10 Total program costs, funded—obligations ¹	15,312	16,486	16,835
Financing:			
Receipts and reimbursements from:			
Federal funds.....	—959	—963	—959
Non-Federal sources ²	—14,401	—15,523	—15,876
21.98 Unobligated balance available, start of year.....	—336	—384	—384
24.98 Unobligated balance available, end of year.....	384	384	384
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	15,312	16,486	16,835
70 Receipts and other offsets (items 11-17).....	—15,360	—16,486	—16,835
71 Obligations affecting expenditures	—48	-----	-----
72.98 Receivables in excess of obligations, start of year.....	—336	—384	—384
74.98 Receivables in excess of obligations, end of year.....	384	384	384
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	2,601	2,586	2,745
11.3 Positions other than permanent.....	256	187	187
11.5 Other personnel compensation.....	11,403	12,547	12,699
Total personnel compensation.....	14,260	15,320	15,631
12.0 Personnel benefits.....	202	227	240
21.0 Travel and transportation of persons.....	272	335	336
22.0 Transportation of things.....	25	38	39
23.0 Rent, communications, and utilities.....	205	166	167
24.0 Printing and reproduction.....	16	29	29
25.1 Other services.....	33	35	52
25.2 Services of other agencies.....	235	264	268
26.0 Supplies and materials.....	45	49	50
31.0 Equipment.....	19	23	23
99.0 Total obligations.....	15,312	16,486	16,835

¹ Includes capital outlay as follows: 1967, \$0; 1968, \$3 thousand; 1969, \$3 thousand.

² Reimbursements from non-Federal sources above include amounts from cooperating universities and State, county, local and private agricultural agencies (41 Stat. 270; 68 Stat. 1237); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U.S.C. 511e); from sale of photographic slides (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); for overtime work and travel performed at meatpacking establishments; for overtime and holiday work performed at poultry processing plants and in connection with appeal inspections on grain (21 U.S.C. 468; 7 U.S.C. 78); refund of terminal leave payments (5 U.S.C. 61b); from jury fees (5 U.S.C. 30p); and from importers in connection with reconditioning seed (7 U.S.C. 1582(a)).

Federal Funds—Continued**CONSUMER AND MARKETING SERVICE—Con.****Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Personnel Summary**

	1967 actual	1968 est.	1969 est.
Total number of permanent positions.....	326	302	306
Full-time equivalent of other positions.....	30	35	35
Average number of all employees.....	324	323	327
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$8,116	\$8,182	\$8,179

FOREIGN AGRICULTURAL SERVICE**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$22,141,500] \$22,414,500: Provided,** That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further,* That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service. (7 U.S.C. 2201-2202; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-36-2900-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. International trade.....	698	752	780
2. Agricultural attachés.....	4,324	5,126	5,406
3. Export programs.....	15,203	16,136	15,296
4. Commodity programs.....	2,634	3,013	3,182
5. Barter and stockpiling.....	604	686	688
6. General sales management.....	857	934	945
Total program costs, funded ¹	24,320	26,647	26,297
Change in selected resources ²	1,748	-365	1,342
10 Total obligations.....	26,068	26,282	27,639
Financing:			
11 Receipts and reimbursements from: Federal funds:			
"Limitation on administrative expenses, Commodity Credit Corporation".....	-1,684	-1,912	-2,007
Commodity Credit Corporation fund.....	-68	-100	-100
25 Unobligated balance lapsing.....	243	988	-----
New obligational authority.....	24,558	25,258	25,532
New obligational authority:			
Current authorization:			
40 Appropriation.....	21,441	22,142	22,414
Permanent authorization:			
62 Transferred from "Removal of surplus agricultural commodities" (80 Stat. 695 and 79 Stat. 1171; annual appropriation act).....	3,117	3,117	3,117
63 Appropriation (adjusted).....	3,117	3,117	3,117

Relation of obligations to expenditures:

10 Total obligations.....	26,068	26,282	27,639
70 Receipts and other offsets (items 11-17).....	-1,752	-2,012	-2,107
71 Obligations affecting expenditures.....	24,316	24,270	25,532
72 Obligated balance, start of year.....	25,515	28,418	28,596
74 Obligated balance, end of year.....	-28,418	-28,596	-28,865
77 Adjustments in expired accounts.....	-1,100	-----	-----
90 Expenditures.....	20,313	24,092	25,263

Expenditures are distributed as follows:

01 Out of current authorizations.....	10,527	11,200	11,766
02 Out of prior authorizations.....	9,786	12,892	13,497

¹ Includes capital outlay as follows: 1967, \$68 thousand; 1968, \$68 thousand; 1969, \$68 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967 adjust- ments	1967	1968	1969
Unpaid undelivered orders.....	22,033	-965	23,113	22,779	24,054
Advances.....	1,526	-----	1,228	1,197	1,264
Total selected resources.....	23,559	-965	24,341	23,976	25,318

The Foreign Agricultural Service helps American agriculture to maintain and expand foreign markets for its products and reports foreign developments as a guide to American agricultural production, policies, and programs.

(a) The agency helps to develop foreign markets for U.S. farm products through aggressive market promotion under special export programs and through active work to remove international trade barriers that inhibit export sales.

(b) The agency maintains a worldwide agricultural intelligence and reporting service that enables American agriculture to carry out its production, policies, and programs in the context of world developments. This is done through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies.

1. *International trade.*—The Service directs and coordinates Department responsibilities in international trade agreement programs and negotiations, utilizing authority of the Trade Expansion Act. It identifies and seeks to reduce foreign barriers to U.S. agricultural exports. It continuously examines and reports on developments in foreign trade policies which affect U.S. agricultural trade and operations and recommends courses of action.

The Service recommends Department positions and participates in negotiations on trade agreements and international commodity agreements. It continuously reviews and reports trade regulations of countries signatory to the General Agreement on Tariffs and Trade as such regulations affect the movement of U.S. farm products in world trade.

It administers a program of import controls in accordance with section 22 of the Agricultural Adjustment Act as amended, and is responsible for administering any import controls established under the new beef import control legislation of 1964.

2. *Agricultural attachés.*—The Service maintains agricultural attachés at 63 foreign posts who assist in the development of markets abroad for U.S. agricultural commodities, working closely with numerous U.S. agricultural trade groups. They maintain continuous contacts with foreign governments in the interest of obtaining more favorable import treatment for American farm products. They carry out a comprehensive schedule of reporting foreign agricultural production, marketing, and trade policy developments as a means of keeping U.S. agriculture, industry, and Government currently informed.

3. *Export programs.*—The Service carries out export programs (a) to expand commercial sales of all U.S. farm products in world markets and (b) under the Public

Law 480 program, to sell and ship U.S. farm products to less developed countries under long-term dollar credit sales and foreign currency sales. About three-fourths of U.S. agricultural exports are commercial sales for dollars. The Service works with 64 U.S. agricultural producer and trade groups in over 70 countries in carrying out commercial sales promotion programs under cooperative agreements. Such programs are jointly-financed. Contributions from the Service come from foreign currencies received in payment for commodities sold under title I of Public Law 480.

About one-fourth of U.S. agricultural exports move under Public Law 480 programs, largely sales for foreign currencies and credit sales for dollars. The Service develops these sales agreements with governments of friendly foreign countries and with private trade entities. The Service is responsible for export shipment of the commodities and for assurance that such commodities actually are received and utilized in the importing countries. Also the Service is responsible for initiating and programing contracts involving the donation of surplus food commodities made available to voluntary and intergovernmental agencies that operate in over 100 countries of the world.

4. *Commodity programs.*—Information essential to domestic planning and to foreign marketing of specific U.S. farm commodities is obtained, analyzed, and made available to U.S. farm and trade groups and to Government. Foreign agricultural competition similarly is analyzed and reported. Marketing programs, in which producers, exporters, and Government officials participate, are developed to maintain and expand the foreign market for U.S. farm products. Assistance is given to U.S. trade representatives in negotiations with foreign officials. Assistance is given to American exporters and foreign importers to bring them together under conditions favorable to trade.

5. *Barter and stockpiling.*—The Service, in cooperation with other Government agencies, conducts a barter program designed to utilize agricultural commodities, in lieu of dollars, in acquiring from other countries, goods, materials, equipment and services required by other Government agencies and for the national and supplemental stockpiles.

6. *General sales management.*—The Service administers a general sales program to develop export sales and related pricing policies and programs. The program includes price and quality review. Foreign data such as prices, stocks, and rail, truck, barge, and ocean freight rates and other market information is collected for use in program development. Information concerning prices and other sales terms, sales programs, and commodity availabilities is furnished to U.S. exporters, foreign importers, and foreign government officials.

Object Classification (in thousands of dollars)

Identification code 05-36-2900-0-1-355		1967 actual	1968 est.	1969 est.
Personnel compensation:				
11.1	Permanent positions.....	8,384	9,070	9,511
11.3	Positions other than permanent.....	83	85	85
11.5	Other personnel compensation.....	62	65	75
11.7	Special personal service payments.....	14	15	15
	Total personnel compensation.....	8,543	9,235	9,686
12.0	Personnel benefits.....	843	897	940
21.0	Travel and transportation of persons..	741	654	679
22.0	Transportation of things.....	83	143	161
23.0	Rent, communications, and utilities....	593	572	577
24.0	Printing and reproduction.....	164	179	183
25.1	Other services.....	13,693	13,016	13,788

25.2	Services of other agencies.....	1,200	1,308	1,340
26.0	Supplies and materials.....	81	94	97
31.0	Equipment.....	125	184	188
42.0	Insurance claims and indemnities.....	2	-----	-----
99.0	Total obligations.....	26,068	26,282	27,639

Personnel Summary

Total number of permanent positions.....	902	949	988
Full-time equivalent of other positions.....	11	11	11
Average number of all employees.....	848	896	935
Average GS grade.....	9.5	9.5	9.5
Average GS salary.....	\$10,926	\$11,532	\$11,589
Average salary of ungraded positions.....	\$4,142	\$4,125	\$4,130

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Program and Financing (in thousands of dollar equivalents)

Identification code 05-36-2901-0-1-355		1967 actual	1968 est.	1969 est.
Program by activities:				
	Market development projects (program costs, funded).....	886	1,012	1,000
	Change in selected resources ¹	110	-12	-----
10	Total obligations.....	996	1,000	1,000
Financing:				
17	Recovery of prior year obligations.....	-1,124	-----	-----
21	Unobligated balance available, start of year.....	-4,604	-4,732	-3,732
24	Unobligated balance available, end of year.....	4,732	3,732	2,732
	New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:				
10	Total obligations.....	996	1,000	1,000
70	Receipts and other offsets (items 11-17) ..	-1,124	-----	-----
71	Obligations affecting expenditures..	-128	1,000	1,000
72	Obligated balance, start of year.....	5,015	4,051	4,051
74	Obligated balance, end of year.....	-4,051	-4,051	-4,051
90	Expenditures.....	836	1,000	1,000
Expenditures are distributed as follows:				
02	Out of prior authorizations.....	836	1,000	1,000

¹ Selected resources as of June 30 are as follows:

	1966	1967 adjust- ments	1967	1968	1969
Unpaid undelivered orders....	4,338	-1,124	3,736	3,727	3,727
Advances	695	-----	283	280	280
Total selected resources	5,033	-1,124	4,019	4,007	4,007

Market development projects.—Foreign currencies generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as well as foreign currencies acquired by the United States from other sources, are used by the Foreign Agricultural Service to develop new foreign markets and expand existing markets for U.S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco.

Market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. In 1969 it is planned that the unobligated balance brought forward in this appropriation will be used to purchase those currencies necessary to carry on the program. Dollar funds for use in other countries are included in the appropriation "Salaries and expenses."

Federal Funds—Continued**FOREIGN AGRICULTURAL SERVICE—Continued****General and special funds—Continued****SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued****Object Classification (in thousands of dollars)**

Identification code 05-36-2901-0-1-355	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions.....	95	91	91
12.0 Personnel benefits.....	4	4	4
21.0 Travel and transportation of persons.....	161	150	150
22.0 Transportation of things.....	7	5	5
23.0 Rent, communications, and utilities.....	48	45	45
24.0 Printing and reproduction.....	-----	1	1
25.1 Other services.....	549	572	572
25.2 Services of other agencies.....	120	120	120
26.0 Supplies and materials.....	8	8	8
31.0 Equipment.....	4	4	4
99.0 Total obligations.....	996	1,000	1,000

Personnel Summary

Total number of permanent positions.....	27	19	19
Average number of all employees.....	27	19	19
Average salary of ungraded positions.....	\$4,142	\$4,125	\$4,130

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture:

- "Commodity Credit Corporation fund."
- "Commodity Credit Corporation, Administrative expenses."
- "Removal of surplus agricultural commodities."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-36-3991-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Commodity Credit Corporation representatives for sales, barter, and stockpiling.....	2	2	2
2. Market development projects.....	20	-----	-----
3. Agency for International Development program.....	200	208	208
4. Sale of personal property.....	9	2	2
5. Miscellaneous service to other accounts.....	55	38	22
10 Total program costs, funded—obligations.....	286	250	234
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	—257	—248	—232
14 Non-Federal sources ¹	—29	—2	—2
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....	286	250	234
70 Receipts and other offsets (items 11-17).....	—286	—250	—234
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

¹ Reimbursements from non-Federal sources are the proceeds of space rentals and sale of exhibit commodities (5 U.S.C. 577) and proceeds from the sale of personal property being replaced (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

Identification code 05-36-3991-0-4-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	216	215	212
11.5 Other personnel compensation.....	2	1	-----
Total personnel compensation.....			
12.0 Personnel benefits.....	218	216	212
21.0 Travel and transportation of persons.....	18	17	15
22.0 Transportation of things.....	-----	2	-----
25.1 Other services.....	-----	3	-----
25.2 Services of other agencies.....	26	5	5
31.0 Equipment.....	15	5	-----
-----	9	2	2
99.0 Total obligations.....	286	250	234

Personnel Summary

Total number of permanent positions.....	25	25	25
Average number of all employees.....	26	25	25
Average GS grade.....	9.5	9.5	9.5
Average GS salary.....	\$10,926	\$11,532	\$11,589

INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE**Intragovernmental funds:****ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-38-3913-0-4-152	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Training of foreign participants.....	637	765	773
2. Technical consultation and support service.....	386	496	500
3. Special projects.....	452	662	665
4. Project leaders.....	169	240	240
5. Subsistence for foreign trainees while in United States.....	3,659	3,700	3,700
10 Total program costs, funded—obligations.....	5,303	5,863	5,878
Financing:			
11 Receipts and reimbursements from: Federal funds.....	—5,303	—5,863	—5,878
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....	5,303	5,863	5,878
70 Receipts and other offsets (items 11-17).....	—5,303	—5,863	—5,878
71 Obligations affecting expenditures.....	-----	-----	-----
72 Obligated balance, start of year.....	388	45	45
74 Obligated balance, end of year.....	—45	—45	—45
90 Expenditures.....	343	-----	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	343	-----	-----

The Service administers the Department of Agriculture's responsibilities in the agricultural phases of the foreign economic assistance programs. This includes direction of the Department's activities under agreement with AID, particularly in agricultural assistance and training programs for foreign areas. The Service is financed entirely with funds allocated from the Agency for International Development.

Object Classification (in thousands of dollars)

Identification code 05-38-3913-0-4-152	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	912	1,155	1,203
11.3 Positions other than permanent.....	36	43	36
11.5 Other personnel compensation.....	18	30	34
11.8 Special personal service payments.....	63	76	46
Total personnel compensation.....	1,029	1,304	1,319
12.0 Personnel benefits.....	75	95	95
21.0 Travel and transportation of persons.....	269	387	387
22.0 Transportation of things.....	4	8	8
23.0 Rent, communications, and utilities.....	28	39	39
24.0 Printing and reproduction.....	19	24	24
25.1 Other services.....	145	196	196
25.2 Services of other agencies.....	48	69	69
26.0 Supplies and materials.....	6	9	9
31.0 Equipment.....	21	32	32
41.0 Grants, subsidies, and contributions.....	3,659	3,700	3,700
99.0 Total obligations.....	5,303	5,863	5,878

Personnel Summary

Total number of permanent positions.....	97	120	123
Full-time equivalent of other positions.....	4	5	4
Average number of all employees.....	86	107	108
Average GS grade.....	8.8	8.7	8.7
Average GS salary.....	\$10,316	\$10,517	\$10,885

UNDISTRIBUTED AID PROGRAM IN DEPARTMENT

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-38-3990-0-4-152	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Anticipated program—undistributed (costs—obligations).....		1,650	3,480
Financing:			
11 Receipts and reimbursements from: Federal funds.....		-1,650	-3,480
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....		1,650	3,480
70 Receipts and other offsets (items 11-17).....		-1,650	-3,480
71 Obligations affecting expenditures.....			
90 Expenditures.....			

Object Classification (in thousands of dollars)

11.1 Personnel compensation: Permanent positions.....		1,082	2,518
12.0 Personnel benefits.....		83	187
21.0 Travel and transportation of persons.....		180	350
22.0 Transportation of things.....		200	400
25.1 Other services.....		30	5
25.2 Services of other agencies.....		75	20
99.0 Total obligations.....		1,650	3,480

Personnel Summary

Total number of permanent positions.....		150	200
Average number of all employees.....		75	175
Average GS grade.....		14	14
Average GS salary.....		\$15,790	\$16,124
Average FC grade.....		5.1	5.0
Average FC salary.....		\$13,925	\$13,800

COMMODITY EXCHANGE AUTHORITY

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), **[\$1,491,000] \$1,584,000.** (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-40-1900-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Licensing and auditing of brokerage houses.....	355	317	357
2. Supervision of futures trading.....	640	721	730
3. Investigations.....	328	492	497
Total program costs, funded ¹	1,323	1,530	1,584
Change in selected resources ²	43		
10 Total obligations.....	1,366	1,530	1,584
Financing:			
25 Unobligated balance lapsing.....	68		
New obligational authority.....	1,434	1,530	1,584
New obligational authority:			
40 Appropriation.....	1,434	1,491	1,584
41 Transferred to other accounts.....		-5	
43 Appropriation (adjusted).....	1,434	1,486	1,584
46 Proposed transfer from other accounts for civilian pay increases.....		44	

Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	1,366	1,530	1,584
72 Obligated balance, start of year.....	67	126	134
74 Obligated balance, end of year.....	-126	-134	-138
77 Adjustments in expired accounts.....	-3		
90 Expenditures.....	1,304	1,522	1,580

Expenditures are distributed as follows:			
01 Out of current authorizations.....	1,241	1,396	1,446
02 Out of prior authorizations.....	63	126	134

¹ Includes capital outlay as follows: 1967, \$14 thousand; 1968, \$3 thousand; 1969, \$3 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$4 thousand (1967 adjustments, -\$3 thousand); 1967, \$44 thousand; 1968, \$44 thousand; 1969, \$44 thousand.

The major objectives of the Commodity Exchange Authority, in the enforcement of the Commodity Exchange Act, are to protect the pricing and hedging services of the commodity futures markets. These services are widely used by farmers, merchandisers, and processors. To carry out its enforcement objectives, the Commodity Exchange Authority works to maintain fair trading practices and competitive pricing on commodity exchanges, and to prevent price manipulation, cheating, fraud, and abusive acts and practices in commodity transactions. Enforcement of the act includes supervision over 17 commodity exchanges designated as contract markets, approximately 400 brokerage firms registered as futures commission merchants, and about 865 registered floor brokers operating on the exchanges. Trading in agricultural commodities on regulated futures markets reached an alltime record volume in the fiscal year ended June 30, 1967. Open contracts climbed to their highest average levels for all commodities combined. Fif-

Federal Funds—Continued**COMMODITY EXCHANGE AUTHORITY—Con.****General and special funds—Continued****SALARIES AND EXPENSES—Continued**

teen new futures market records were established in 1967. Outstanding among these was the unprecedented volume of trading in corn on the Chicago Board of Trade. Other commodities with large increases in trading volume were wheat, soybean meal, and potatoes. Continuing large market activity in wheat and soybeans brought the volume of trading in all grains combined to their highest levels on record. While the current volume of futures trading has not reached last years' level, the total volume of trading is still at relatively high levels.

1. *Licensing and auditing of brokerage houses.*—This consists of (a) prevention of the misuse of customers' funds by the analysis of financial statements of futures commission merchants and the periodic audits of their books and records; and (b) annual registration of futures commission merchants and floor brokers.

AUDITS AND REGISTRATIONS

	1967 actual	1968 estimate	1969 estimate
Audit of customers' segregated funds...	409	460	460
Accounts examined.....	43,646	43,000	43,000
Financial statements examined.....	410	420	420
Future commission merchants registered	400	400	400
Floor brokers registered.....	863	865	865

2. *Supervision of futures trading.*—This embraces (a) examination and analysis of reports and other market data, making market position surveys, and publication of reports on market situations; (b) establishment, review, and enforcement of speculative limits; and (c) cooperative activities with control committees of contract markets.

REPORTS TABULATED AND ANALYZED

	1967 actual	1968 estimate	1969 estimate
Daily trading volume and open contracts.....	202,851	195,000	210,000
Daily and weekly reports on large traders.....	437,138	425,000	450,000
Delivery notices.....	55,327	54,000	57,000

3. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings. Exchange rules and regulations are reviewed to insure that legal requirements are met.

INVESTIGATIONS AND PROCEEDINGS

	1967 actual	1968 estimate	1969 estimate
Compliance investigations completed...	53	50	50
Trade practice investigations completed...	2	3	4
Criminal prosecutions instituted.....	1	1	1
Administrative proceedings instituted...	8	7	7

Object Classification (in thousands of dollars)

Identification code 05-40-1900-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	1,108	1,254	1,299
11.3 Positions other than permanent.....	1	5	5
11.5 Other personnel compensation.....	1	1	1
Total personnel compensation.....	1,110	1,260	1,305
12.0 Personnel benefits.....	86	95	99
21.0 Travel and transportation of persons...	23	18	23
22.0 Transportation of things.....	2	1	1

23.0 Rent, communications, and utilities...	41	40	40
24.0 Printing and reproduction.....	13	13	13
25.1 Other services.....	50	17	17
25.2 Services of other agencies.....	13	66	66
26.0 Supplies and materials.....	15	16	16
31.0 Equipment.....	12	4	4
99.0 Total obligations.....	1,366	1,530	1,584

Personnel Summary

Total number of permanent positions.....	140	148	153
Average number of all employees.....	129	140	144
Average GS grade.....	7.8	7.8	7.8
Average GS salary.....	\$8,668	\$9,123	\$9,130

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE**General and special funds:****EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE**

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590q); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, [S137,935,400] \$143,933,700: *Provided*, That, in addition, not to exceed [S58,608,600] \$62,764,100 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed [S27,305,000] \$27,205,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations. (7 U.S.C. 442-445, 447-449, 608c, 624, 1282, 1421-1433, 1441-1449, 1641-1642, 1691-1697, 1701-1709, 1721-1724, 1731-1736, 1741-1747, 1781-1787, 1838, 1851-1854, 1856-1857, 1859; 15 U.S.C. 712a, 713a-10, 713a-13, 714-714p; 22 U.S.C. 1922; 31 U.S.C. 841, 846-852, 866-868; 40 U.S.C. App. A203, A401-5; 50 U.S.C. App. 1917; 71 Stat. 290; 76 Stat. 218; 80 Stat. 131, 202, 220; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-44-3300-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Program formulation and appraisal...	4,008	4,668	5,164
2. Operation of supply adjustment, conservation, and price support programs.....	187,211	180,129	185,280
3. Inventory management and merchandising.....	22,211	22,495	21,941
Total program costs, funded ¹	213,430	207,292	212,385
Change in selected resources ²	-446	-----	-----
10 Total obligations.....	212,984	207,292	212,385
Financing:			
Receipts and reimbursements from:			
11 Federal funds:			
Commodity Credit Corporation fund	-74,851	-58,608	-60,480
Emergency preparedness functions...	-23	-----	-----
Other.....	-3,884	-4,342	-4,717
13 Trust funds.....	-2	-----	-----
14 Non-Federal sources ³	-4,280	-3,311	-3,254

22	Unobligated balance transferred from other accounts.....	-1,394	-----	-----
	Proposed transfer of unobligated balance from other accounts for increased pay costs.....	-----	-3,096	-----
25	Unobligated balance lapsing.....	8	-----	-----
40	New obligational authority.....	128,558	137,935	143,934
Relation of obligations to expenditures:				
10	Total obligations.....	212,984	207,292	212,385
70	Receipts and other offsets (items 11-17).....	-83,040	-66,261	-68,451
71	Obligations affecting expenditures.....	129,944	141,031	143,934
72	Obligated balance, start of year.....	8,909	6,544	7,455
74	Obligated balance, end of year.....	-6,544	-7,455	-7,689
77	Adjustments in expired accounts.....	-618	-----	-----
90	Expenditures.....	131,691	140,120	143,700
Expenditures are distributed as follows:				
01	Out of current authorizations.....	123,710	134,257	137,025
02	Out of prior authorizations.....	7,981	5,863	6,675

¹ Includes capital outlay as follows: 1967, \$215 thousand; 1968, \$215 thousand; 1969, \$215 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Stores.....	121	110	110	110
Unpaid undelivered orders.....	1,448	1,013	1,013	1,013
Total selected resources.....	1,569	1,123	1,123	1,123

Reimbursements from non-Federal sources are in large part service charges from producers and receipts from sales of aerial photographs (7 U.S.C. 1387).

This account includes funds to cover expenses of programs administered by, and functions assigned to, the Agricultural Stabilization and Conservation Service. The funds consist of direct appropriation, transfers from the Commodity Credit Corporation, and miscellaneous advances from other sources. This is a consolidated account for administrative expenses of national, commodity, State, and county offices.

The commodity offices and the data processing centers in Kansas City and New Orleans play an important role in administering price support programs and the field operations stemming from producer loan and purchase agreements, inventory management, and merchandising activities.

The State committees are in general administrative charge of all programs carried out in their respective States. Within the framework of national policy, they determine the policies to be followed and direct the adaptation of national programs to the State.

The Agricultural Stabilization and Conservation county committees are responsible for the local administration of programs. They carry out all functions dealing directly with farmers. The elected county committee is in charge of the county office.

The programs and activities carried out by this Service include: agricultural conservation program, Appalachian Region conservation program, acreage allotment and marketing quota programs, Sugar Act program, conservation reserve program, wheat, feed grain, and cotton diversion programs, cropland conversion program, cropland adjustment program, dairy indemnity payment program, Wool Act program, bin storage program, and price support and related programs.

The activities carried out by the Agricultural Stabilization and Conservation Service fall within three major categories:

1. *Program formulation and appraisal.*—The supply adjustment, conservation, and the price support programs and the management and merchandising of commodities

acquired under the price support program have a tremendous impact on the national and, to a lesser extent, the international economy. This activity provides for constant review of the effectiveness of these programs. It also provides for the analysis of data to formulate even more effective programs.

2. *Operation of supply adjustment, conservation, and price support programs.*—This activity includes all functions dealing with the administration of programs carried out through the farmer committee system, including: (a) developing program regulations and procedures, (b) holding meetings with employees and producers to discuss new programs or changes in existing programs, (c) collecting and compiling basic data for individual farms, (d) establishing individual farm allotments, (e) establishing proportionate shares for sugar farms, when necessary, (f) notifying producers of allotments, proportionate shares, productivity indexes, and payment rates, (g) determining farm marketing allocations, (h) handling appeals, (i) determining county normal yields, (j) conducting referendums and certifying results, (k) checking compliance with acreage allotments and use of diverted acres, (l) developing pooling agreements under which several farmers work jointly to solve a common conservation problem which cannot be solved by individual action, (m) issuing marketing cards so that production from the allotted acreage can be marketed without penalty, (n) processing producer requests for conservation cost-sharing, and (o) processing commodity loan documents and issuing sight drafts.

3. *Inventory management and merchandising.*—This activity includes (a) overall management of CCC-owned commodities, (b) selling commodities, (c) donating commodities, and (d) accounting for loans and commodities. The value of the commodities owned by CCC on June 30, 1967 was about \$1.9 billion.

The volume of work in fiscal year 1967 under some of the major programs financed from this account is set forth below:

PROGRAMS	Number of allotments
Acreage allotments and marketing quotas:	
Tobacco.....	545,841
Peanuts.....	101,339
Cotton.....	653,040
Rice.....	21,025
Agricultural conservation:	
Requests for cost-sharing.....	2,038,355
Conservation materials and services orders.....	1,157,842
Applications for payment.....	1,518,507
Pooling agreements.....	5,169
Number of referrals for technical service.....	434,655
Sugar Act:	
Participating ownership tracts.....	56,417
Estimated planted acreage.....	2,120,520
Conservation reserve:	
Number of whole farm contracts.....	86,947
Number of part farm contracts.....	35,347
Feed grain and wheat: Number of participating farms.....	1,716,724
Price support:	
Number of price support loans.....	2,208,724
Reinspection of farm-stored loans.....	205,967
Number of loan repayments received.....	332,343
Number of farm-stored loans taken over.....	89,528
Number of reseals.....	146,480
Number of warehouse loans acquired.....	356,100
Bin storage:	
Number of structures.....	179,718
Number of bushels in storage.....	251,987,352
Number of bushels handled.....	126,860,469
Cropland adjustment:	
Number of agreements.....	40,753
Requests for cost-sharing.....	38,444
Cropland conversion:	
Number of agreements.....	8,879
Requests for cost-sharing.....	2,956

Federal Funds—Continued**AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued****General and special funds—Continued****EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued****Object Classification (in thousands of dollars)**

Identification code 05-44-3300-0-1-351	1967 actual	1968 est.	1969 est.
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	39,418	40,359	40,256
11.3 Positions other than permanent....	2,315	2,642	2,633
11.5 Other personnel compensation.....	478	496	497
Total personnel compensation.....	42,212	43,497	43,386
12.0 Personnel benefits.....	3,356	3,490	3,540
13.0 Benefits for former personnel.....	122	77	47
21.0 Travel and transportation of persons..	2,811	2,986	2,965
22.0 Transportation of things.....	380	409	428
23.0 Rent, communications, and utilities...	7,741	9,612	10,059
24.0 Printing and reproduction.....	1,327	1,490	1,490
25.1 Other services.....	1,279	1,208	1,200
25.2 Services of other agencies.....	1,400	1,256	1,283
26.0 Supplies and materials.....	1,128	1,034	1,012
31.0 Equipment.....	231	217	217
41.0 Grants, subsidies, and contributions...	148,610	141,770	146,503
42.0 Insurance claims and indemnities.....	23	23	23
44.0 Refunds.....	2,176	-----	-----
Total obligations, Agricultural Stabilization and Conservation Service.....	212,796	207,069	212,153
ALLOTMENT ACCOUNTS			
Personnel compensation:			
11.1 Permanent positions.....	130	159	162
11.3 Positions other than permanent....	-----	1	1
Total personnel compensation.....	130	160	163
12.0 Personnel benefits.....	11	15	17
21.0 Travel and transportation of persons..	6	7	7
22.0 Transportation of things.....	5	2	3
23.0 Rent, communications, and utilities...	5	5	5
24.0 Printing and reproduction.....	-----	1	1
25.1 Other services.....	29	31	33
26.0 Supplies and materials.....	-----	1	1
31.0 Equipment.....	2	1	2
Total obligations, allotment accounts.....	188	223	232
99.0 Total obligations.....	212,984	207,292	212,385
Obligations are distributed as follows:			
Agricultural Stabilization and Conservation Service.....	212,796	207,069	212,153
Forest Service.....	157	169	177
Office of General Counsel.....	31	54	55

Personnel Summary

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
Total number of permanent positions.....	4,622	4,640	4,567
Full-time equivalent of other positions.....	373	288	287
Average number of all employees.....	4,954	4,840	4,772
Average GS grade.....	7.6	7.8	7.8

Average GS salary.....	\$8,541	\$9,026	\$9,055
Average FC grade.....	3.3	3.4	3.2
Average FC salary.....	\$18,952	\$19,073	\$17,980
Average salary ungraded positions.....	\$5,639	\$5,828	\$5,828

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	17	19	19
Average number of employees.....	15	16	16
Average GS grade.....	7.9	8.2	8.1
Average GS salary.....	\$8,569	\$9,257	\$9,257

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), **[\$80,000,000]** \$82,300,000, to remain available until June 30 of the next succeeding fiscal year. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-44-3305-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Payments to sugar producers:			
(a) Continental beet area.....	45,837	44,630	46,266
(b) Continental cane area.....	14,220	16,925	15,000
(c) Offshore cane area.....	19,943	18,445	21,034
10 Total program costs, funded—obligations (object class 41.0).....	80,000	80,000	82,300
Financing:			
40 New obligational authority (appropriation).....	80,000	80,000	82,300
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	80,000	80,000	82,300
72 Obligated balance, start of year.....	11,747	10,057	4,402
74 Obligated balance, end of year.....	-10,057	-4,402	-----
90 Expenditures.....	81,689	85,655	86,702
Expenditures are distributed as follows:			
01 Out of current authorizations.....	81,689	75,598	82,300
02 Out of prior authorizations.....	-----	10,057	4,402

The objectives are to provide consumers with adequate supplies of sugar at reasonable prices, to protect the welfare of the domestic sugar industry, and to promote the export trade of the United States. Total U.S. requirements and quotas are determined each year. The quota for each domestic area is allotted to individual sellers when necessary to achieve orderly marketing. Restrictive farm acreage allotments are established for producers when necessary to avoid surpluses.

Payments are made which supplement the income of domestic producers of cane and beets. Payments require compliance with specified conditions of employment, production, and price. Payments are also made for abandonment of planted acreage and crop deficiencies on harvested acreage due to natural calamities.

The increase of \$2.3 million proposed for 1969 is required to provide necessary funds to make payments to all eligible producers in the fiscal year 1969.

Tax collections from imports of sugar exceed total obligations by \$574 million for fiscal years 1938 through 1967.

Estimated production by areas is shown in the following table:

THOUSANDS OF SHORT TONS, RAW VALUE

Area	1966 crop year	1967 crop year	1968 crop year
Continental beet area.....	2,860	2,696	3,000
Continental cane area.....	1,215	1,352	1,200
Hawaii.....	1,234	1,235	1,230
Puerto Rico (prior crop year).....	1 883	2 818	3 750
Virgin Islands.....	5	-----	-----
Total.....	6,197	6,101	6,180

¹ For crop years 1965-66.

² For crop years 1966-67.

³ For crop years 1967-68.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [\$220,000,000] \$195,500,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, [1966] 1967 and [1967] 1968, carried out during the period July 1, [1965] 1966, to December 31, [1967] 1968, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the [1968] 1969 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to [\$220,000,000] \$100,000,000, excluding administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper

official channels. (7 U.S.C. 1010-1011, 1334 notes, 1379a note, 1427, 1923; 16 U.S.C. 590g-590h, 590p-1; 22 U.S.C. 287i-287l; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-44-3315-0-1-354	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Cost-sharing assistance to farmers (costs—obligations) (object class 41.0).....	220,000	195,500	100,000
Financing:			
25.49 Unobligated balance lapsing (contract authorization).....	-----	24,500	-----
49 New obligational authority (contract authorization) (80 Stat. 696 and 81 Stat. 328).....	220,000	220,000	100,000
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	220,000	195,500	100,000
Obligated balance, start of year (allocation to States):			
72.40 Appropriation.....	30,670	34,960	33,436
72.49 Contract authorization.....	220,000	220,000	195,500
Obligated balance, end of year (allocation to States):			
74.40 Appropriation.....	-34,960	-33,436	-20,686
74.49 Contract authorization.....	-220,000	-195,500	-100,000
77 Adjustments in expired accounts.....	-138	-----	-----
90 Expenditures.....	215,572	221,524	208,250
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	215,572	221,524	208,250
Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance, start of year.....	220,000	220,000	195,500
Contract authorization.....	220,000	220,000	100,000
Unobligated balance lapsing.....	-----	-24,500	-----
Unfunded balance, end of year.....	-220,000	-195,500	-100,000
Appropriation to liquidate contract authorization.....	220,000	220,000	195,500

This program is designed to encourage conservation by sharing with farmers, ranchers, and woodland owners the cost of carrying out approved soil-building and soil- and water-conserving practices, including related wildlife-conserving practices. These are practices which farmers generally would not perform to the needed extent with their own resources. The rate of cost-sharing averages about 50% of the cost. Cost-sharing may be in the form of conservation materials and services or a payment after completion of the practice.

Conservation measures offered include those primarily designed to establish permanent protective cover, improve and protect established vegetative cover, conserve and dispose of water, establish temporary vegetative cover, temporarily protect soil from wind and water erosion, and provide wildlife and beautification benefits.

The following and other practices were installed under the 1966 program on a total of 1,017,440 farms:

[In thousands]

Constructing water storage reservoirs.....	structures.....	54
Constructing terraces.....	acres.....	708
Establishing stripcropping systems.....	acres.....	291
Establishing permanent sod waterways.....	acres.....	62
Establishing or improving enduring vegetative cover.....	acres.....	12,211
Controlling competitive shrubs on range or pasture.....	acres.....	1,879
Planting trees and shrubs.....	acres.....	200
Improving stands of forest trees.....	acres.....	174

Federal Funds—Continued**AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE—Continued****General and special funds—Continued****AGRICULTURAL CONSERVATION PROGRAM—Continued**

Funds are distributed among the States on the basis of conservation needs. They are, in turn, distributed by the Agricultural Stabilization and Conservation State committees to counties. The county committees approve conservation practice cost-sharing for eligible persons.

Loans from Commodity Credit Corporation are used to make advance payments to vendors. These payments are for conservation materials and services furnished to farmers and ranchers prior to the time funds are appropriated each year. Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is (in thousands of dollars):

**AMOUNTS REPAID OR ESTIMATED TO BE REPAID ON COMMODITY
CREDIT CORPORATION LOANS**

	1967 actual	1968 estimate	1969 estimate	Total
Balance of 1966 loan.....	44,900	-----	-----	44,900
1967 loan.....	-----	45,000	-----	45,000
1968 loan.....	-----	-----	40,000	40,000
Total.....	44,900	45,000	40,000	129,900
Interest.....	(28)	(18)	(25)	(71)

A level of \$100 million for the 1969 program is proposed excluding administrative expenses. Payments for the 1969 program will be made principally from the 1970 appropriation.

CROPLAND ADJUSTMENT PROGRAM

For necessary expenses to carry into effect a cropland adjustment program as authorized by the Food and Agriculture Act of 1965 (7 U.S.C. 1838), [including reimbursement to Commodity Credit Corporation, \$84,500,000] \$85,700,000: *Provided, That agreements entered into during the fiscal year 1969 shall not require payments during the calendar year 1969 exceeding \$55,500,000. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)*

Program and Financing (in thousands of dollars)

Identification code 05-44-3335-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Adjustment, cost-sharing and technical assistance.....	56,408	84,500	85,700
2. Repayment of advances from Commodity Credit Corporation.....	5,592	-----	-----
10 Total program costs, funded—obligations (object class 41.0).....	62,000	84,500	85,700
Financing:			
40 New obligational authority (appropriation)	62,000	84,500	85,700
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	62,000	84,500	85,700
72 Obligated balance, start of year.....	-----	2,833	2,677
74 Obligated balance, end of year.....	-2,833	-2,677	-500
77 Adjustments.....	-5,592	-----	-----
90 Expenditures.....	53,575	84,656	87,877
Expenditures are distributed as follows:			
01 Out of current authorizations.....	53,575	83,000	85,700
02 Out of prior authorizations.....		1,656	2,177

The cropland adjustment program, authorized by the Food and Agriculture Act of 1965, assists farmers, through long-term agreements, to divert cropland from the production of certain crops to more needed uses that will promote the development and conservation of our soil, water, forest, wildlife, and recreational resources. The program also helps farmers establish, protect and conserve open spaces and natural beauty, and prevent air and water pollution.

In return for diverting the cropland to approved public benefit uses, producers will receive adjustment payments. They also will be eligible to receive cost-sharing assistance for establishing approved land treatment measures. Additional incentive payments may be made to producers who enter into agreements to permit free public access to land designated under the cropland adjustment program agreement, for hunting, trapping, fishing, and hiking. The period of an agreement cannot be less than 5 years nor more than 10 years.

Funds may be made available to Federal, State, or local governmental agencies for use in acquiring cropland to be permanently converted to specified public uses, and cost-shares may be paid to State or local governmental agencies for designated uses, consistent with the conditions and costs under agreements entered into with producers.

In fiscal year 1967, producers in 47 States entered into agreements to divert an additional 2 million acres from production of crops to other uses. Also, free public access agreements were entered into on a half million acres of this land. During this period 125 additional grants for Greenspan were made in 25 States to assist local and State government agencies in purchasing 7,340 acres of cropland for diversion from crops in plentiful supply to needed public recreation, open space, wildlife habitat, natural beauty, and water pollution abatement.

A cropland adjustment program was not approved for 1968. A program of 2 million acres is proposed for 1969.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, [\$123,000,000] \$109,500,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)*

Program and Financing (in thousands of dollars)

Identification code 05-44-3369-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Conservation reserve program (costs—obligations) (object class 41.0).....	140,650	123,000	109,500
Financing:			
40 New obligational authority (appropriation)	140,650	123,000	109,500
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	140,650	123,000	109,500
72 Obligated balance, start of year.....	504	419	-----
74 Obligated balance, end of year.....	-419	-----	-----
90 Expenditures.....	140,735	123,419	109,500
Expenditures are distributed as follows:			
01 Out of current authorizations.....	140,735	123,000	109,500
02 Out of prior authorizations.....		419	-----

This program, initiated in 1956, has two objectives. One is to bring total crop acreage more nearly in line with demand by withdrawing cropland from production. The other is to establish and maintain sound conservation practices on the land withdrawn. The Secretary was authorized, through calendar year 1960, to enter into 3- to 15-year contracts with producers. For removing designated cropland from production and for establishing necessary conservation practices, the producer receives an annual rental payment each year of the contract period. He also receives cost-sharing assistance for the establishment of required practices. Total annual rental payments to a producer are limited to \$5 thousand.

Participation in the program is summarized below:

Number of contracts, 1967 program.....	106,286
Number of acres, 1967 program.....	10,980,212
Payments made in program year 1966, estimated.....	\$140,734,508
Estimated payments to be made in program year 1967.....	\$123,419,369

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$5,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures. (71 Stat. 176; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-44-3316-0-1-354	1967 actual	1968 est.	1969 est.
Program by activities:			
Emergency cost-sharing assistance to farmers (program costs, funded).....	8,896	13,000	5,000
Change in selected resources ¹	-3,891	-8,000	-----
10 Total obligations (object class 41.0).....	5,005	5,000	5,000
Financing:			
21 Unobligated balance, start of year.....	-5	-----	-----
24 Unobligated balance, end of year.....	-----	-----	-----
40 New obligational authority (appropriation).....	5,000	5,000	5,000
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	5,005	5,000	5,000
72 Obligated balance, start of year.....	25,342	24,644	21,944
74 Obligated balance, end of year.....	-24,644	-21,944	-19,244
90 Expenditures.....	5,702	7,700	7,700
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	5,702	7,700	7,700

¹ Selected resources as of June 30 are as follows: Advances 1966, \$15,662 thousand (1967 adjustments, \$6,860 thousand); 1967, \$18,631 thousand; 1968, \$10,631 thousand; 1969, \$10,631 thousand.

This appropriation provides special funds for sharing the cost of emergency conservation measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The criteria under which assistance may be made available are set forth in the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(h)).

Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties. Assistance is made available to treat new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and, except for wind erosion, is not the type

which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

Under the 1967 program cost-sharing assistance is being provided to treat farmlands damaged by drought, flood, and tornado. As of November 20, 1967, there were 193 counties in 24 States where assistance is being provided.

CROPLAND CONVERSION PROGRAM

Program and Financing (in thousands of dollars)

Identification code 05-44-3333-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Adjustment, cost-sharing and technical assistance (costs—obligations) (object class 41.0).....	7,489	-----	-----
Financing:			
17 Recovery of prior year obligations.....	-7,000	-1,287	-----
21 Unobligated balance available, start of year.....	-3	-7,013	-42
23 Unobligated balance transferred to other accounts for pay costs.....	-----	8,258	-----
24 Unobligated balance available, end of year.....	7,013	42	42
40 New obligational authority (appropriation).....	7,500	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	7,489	-----	-----
70 Receipts and other offsets (items 11-17).....	-7,000	-1,287	-----
71 Obligations (affecting expenditures).....	489	-1,287	-----
72 Obligated balance, start of year.....	13,167	12,001	7,400
74 Obligated balance, end of year.....	-12,001	-7,400	-4,322
90 Expenditures.....	1,655	3,314	3,078
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	1,655	3,314	3,078

Long-range agreements are approved with farmers and ranchers to make changes from their past cropping systems and land uses to other income-producing, public benefit uses.

The agreements, not to exceed 10 years, provide for payments, the furnishing of materials and services, and other assistance to farmers. In return, farmers change the land use and install and maintain conservation practices. Adjustment payments may be authorized to be made either upon approval of the agreement or on an annual installment basis. Land treatment practice payments are made after the practice is installed.

The law places a limit of \$10 million on payments which are required to be made in a calendar year under signed agreements.

This program is being discontinued and emphasis placed on obtaining adjustments through the cropland adjustment program.

APPALACHIAN REGION CONSERVATION PROGRAM

Program and Financing (in thousands of dollars)

Identification code 05-44-3318-0-1-507	1967 actual	1968 est.	1969 est.
Financing:			
16 Comparative transfer to other accounts.....	3,360	-----	-----
New obligational authority.....	3,360	-----	-----

Federal Funds—Continued**AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE—Continued****General and special funds—Continued****APPALACHIAN REGION CONSERVATION PROGRAM—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-44-3318-0-1-507	1967 actual	1968 est.	1969 est.
New obligational authority:			
40 Appropriation.....	3,000	-----	-----
50 Reappropriation.....	360	-----	-----
Relation of obligations to expenditures:			
70 Receipts and other offsets (items 11-17).....	3,360	-----	-----
71 Obligations affecting expenditures.....	3,360	-----	-----
72 Obligated balance, start of year.....	5,895	6,257	-----
73 Obligated balance transferred to other accounts.....	-----	-6,257	-----
74 Obligated balance, end of year.....	-6,257	-----	-----
77 Adjustment in expired accounts.....	-198	-----	-----
90 Expenditures.....	2,800	-----	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	2,800	-----	-----

This is a long-term program to provide cost-sharing assistance to landowners, operators, or occupiers of land in the Appalachian Region Contracts with such people provide for land stabilization, erosion and sediment control, reclamation through changes in land use, and the establishment of measures for the conservation and development of the Region's soil, water, woodland, wildlife and recreation resources. This program supplements other conservation programs of the Department in the designated counties of those States in the Appalachian Region. Cost-sharing agreements are limited to periods of not less than 3 years nor more than 10 years. The cost-share may not exceed 80% of the treatment cost on not more than 50 acres of land for any person.

INDEMNITY PAYMENTS TO DAIRY FARMERS**Program and Financing (in thousands of dollars)**

Identification code 05-44-3314-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Indemnity payments to dairy farmers (costs—obligations) (object class 41.0).....	400	500	-----
Financing:			
New obligational authority.....	400	500	-----
New obligational authority:			
40 Appropriation.....	-----	-----	-----
42 Transferred from other accounts.....	400	500	-----
43 Appropriation (adjusted).....	400	500	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	400	500	-----
72 Obligated balance, start of year.....	108	260	250

74 Obligated balance, end of year.....	-260	-250	-----
77 Adjustments in expired accounts.....	-82	-----	-----
90 Expenditures.....	166	510	250

Expenditures are distributed as follows:

01 Out of current authorizations.....	166	250	-----
02 Out of prior authorizations.....	-----	260	250

Under this program the Department makes payments to dairy farmers who have been directed to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government.

This program began in 1964 and was funded from the Office of Economic Opportunity appropriations since the authorization was in the Economic Opportunity Act of 1964 (sec. 331).

For 1968, the program will be funded by transfer from Office of Economic Opportunity from funds provided in the Supplemental Appropriation Act, 1968. This program was extended through June 30, 1968 by Public Law 90-95.

Payments made from the beginning of the program through June 30, 1967 amounted to \$641,864.

It is estimated that additional claims amounting to \$500 thousand will occur during fiscal year 1968.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:

Funds appropriated to the President:

"Economic Assistance."

"Revolving fund, Defense Production Act."

Soil Conservation Service, "Great Plains Conservation Program."

"Appalachian Regional Development Programs."

COMMODITY CREDIT CORPORATION**General and special funds:****REIMBURSEMENT FOR NET REALIZED LOSSES**

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), **\$1,400,000,000: Provided**, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to Title I of Public Law 480, 83d Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime: **Provided further**, That \$275,000 of this amount shall be transferred to and merged with the appropriation "Agricultural Research Service, salaries and expenses, research" for research on short staple cotton and mechanical classing methods for cotton] **\$3,648,506,000.** (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Public enterprise funds:**REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL
WOOL ACT**

Note.—Expenditures from the following fund for 1968 are subject to the first paragraph of title III of the Department of Agriculture and Related Agencies Appropriation Act, 1968. For 1969, this paragraph is shown in the Department of Agriculture chapter, p. 168 preceding Federal Crop Insurance Corporation fund.

Program and Financing (in thousands of dollars)

Identification code
05-48-4336-0-3-999

	1967 actual	1968 estimate	1969 estimate
Program by activities:			
Price support and related programs:			
Operating costs, funded:			
(1) Cost of commodities sold (including exchanges for payment-in-kind certificates)	2,559,711	1,592,463	722,595
(2) Cost of commodities donated, domestic	138,448	252,790	273,260
(3) Storage, transportation, and other costs not included above	319,129	167,063	206,998
(4) Export payments	167,685	72,700	66,000
(5) Price support payments	1,287,787	937,300	1,265,000
(6) Wheat certificates issued	651,839	725,000	742,000
(7) Equalization payments	20,397	-----	-----
(8) Land retirement payments:			
(a) Feed grains	541,765	634,200	790,000
(b) Wheat	27,144	-----	-----
(c) Cotton	303,382	254,000	115,000
(9) Administrative expense subject to limitation	32,179	31,484	29,216
(10) Nonadministrative expense not distributed above	26,831	25,313	31,389
(11) Interest:			
(a) Treasury	294,136	290,825	257,125
(b) Other	32,982	59,975	74,975
(12) Increase or decrease (—) in provision for losses:			
(a) On commodities for sale	—79,329	—324,322	5,000
(b) On accounts receivable	—987	—1,033	-----
Total, operating costs, funded	6,323,099	4,717,758	4,578,558
Capital outlay, funded:			
(1) Direct loans	15,690	18,000	16,000
(2) Guaranteed loans purchased	1,229,409	1,622,396	1,422,200
(3) Purchases of administrative equipment	119	300	300
Total, capital outlay, funded	1,245,218	1,640,696	1,438,500
Total, program costs, funded	7,568,317	6,358,454	6,017,058
Change in selected resources ¹	—1,296,444	—6,434	378,815
Total, price support and related programs (obligations)	6,271,873	6,352,020	6,395,873
Special activities:			
Operating costs, funded:			
1. Commodities transferred from price support program	483,752	354,359	355,440
2. Other operating costs:			
(a) Interest	415	734	716
(b) Other program and operating costs	1,515,311	1,577,866	1,702,155
Total operating costs, funded	1,999,478	1,932,959	2,058,311
Capital outlay: Loans made for agricultural conservation purposes (obligations)	45,000	40,000	35,000
Total program costs, funded	2,044,478	1,972,959	2,093,311
Change in selected resources ¹	—12,670	—37,876	38,000
Total, special activities (obligations)	2,031,808	1,935,083	2,131,311
10 Total obligations	8,303,681	8,287,103	8,527,184
Financing:			
Receipts and reimbursements from:			
Price support and related programs:			
11 Federal funds:			
Sales to special activities	—483,752	—354,359	—355,440
Interest revenue	—415	—734	—716
Other revenue	—1,967	—1,861	—1,866
14 Non-Federal sources:			
Redemption of payment-in-kind certificates	—833,782	—402,500	—117,000
Sales and other proceeds	—1,309,478	—813,650	—653,740
Interest revenue	—53,055	—49,248	—49,300
Other revenue	—536	—300	—300
Realization of assets	—7,302	—9,000	—2,400
Loans repaid	—1,155,180	—1,171,769	—1,584,600
Loan collateral forfeited	—911,677	—240,098	—383,300
17 Recovery of prior obligations (special milk)	—10	-----	-----
Special activities:			
11 Federal funds:			
Reimbursements received	—176,479	—483,040	—425,040
Repayment of loan for agricultural conservation purposes	—44,900	—45,000	—40,000
Advance from foreign assistance and special export programs (net)	—1,509,489	—1,198,500	—1,448,143
14 Non-Federal sources: Repayments by foreign governments and exporters	—44,803	—80,000	—103,600
16 Comparative transfers to other accounts	9,063	2,220	-----
21.47 Unobligated balances available, start of year: Authorization to spend public debt receipts	-----	—1,013,666	-----
21.98 Unobligated balance of sec. 32 research funds, start of year	—11,283	—2,220	-----
24.98 Unobligated balance of sec. 32 research funds, end of year	2,220	-----	-----
24.47 Unobligated balance available, end of year: Authorization to spend public debt receipts	1,013,666	-----	-----
25.40 Unobligated balance lapsing (special milk)	15	-----	-----
New obligational authority (permanent, indefinite)	2,784,537	2,423,378	3,361,739

¹ Balances of selected resources are identified on the statement of financial condition.

*Federal Funds—Continued***COMMODITY CREDIT CORPORATION—Continued****Public enterprise funds—Continued****REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-48-4336-0-3-999		1967 actual	1968 estimate	1969 estimate
New obligational authority:				
Price support and related programs: Current authorization:				
40	Reimbursement for net realized losses.....	3,555,855	1,400,000	3,648,506
41	Transferred to other accounts.....	-----	-275	-----
43	Appropriation (adjusted).....	3,555,855	1,399,725	3,648,506
69	Contract authorization.....	-----	988,860	-----
	Deduct portion of appropriation to liquidate contract authorization.....	-809,578	-----	-350,467
	New obligational authority, price support and related programs.....	2,746,277	2,388,585	3,298,039
Special activities: Permanent authorization:				
60	Reimbursement to Commodity Credit Corporation, National Wool Act (permanent, indefinite, special fund).....	38,260	34,793	63,700
Relation of obligations to expenditures:				
Price support and related programs:				
10	Total obligations.....	6,271,873	6,352,020	6,395,873
70	Receipts and other offsets (items 11-17).....	-4,757,154	-3,043,519	-3,148,662
71	Obligations affecting expenditures.....	1,514,719	3,308,501	3,247,211
Obligated balance, start of year:				
72.47	Authorization to spend public debt receipts.....	2,732,113	3,236,468	2,950,844
72.49	Contract authorization.....	639,743	-----	883,357
72.98	Fund balance:			
	Commodity Credit Corporation.....	45,644	63,521	50,000
	Agricultural Stabilization and Conservation Service funds reported elsewhere.....	-78,143	-90,747	-72,326
Obligated balance, end of year:				
74.47	Authorization to spend public debt receipts.....	-3,236,468	-2,950,844	-3,778,420
74.49	Contract authorization.....	-----	-883,357	-499,046
74.98	Fund balance:			
	Commodity Credit Corporation.....	-63,521	-50,000	-50,000
	Agricultural Stabilization and Conservation Service funds reported elsewhere.....	90,747	72,326	43,752
90	Budget expenditures, price support and related programs.....	1,644,833	2,705,868	2,775,372
Special activities:				
10	Total obligations.....	2,031,808	1,935,083	2,131,311
70	Receipts and other offsets (items 11-17).....	-1,766,608	-1,804,320	-2,016,783
71	Obligations affecting expenditures.....	265,200	130,763	114,528
72.98	Obligated balance, start of year.....	169,835	152,962	105,501
74.98	Obligated balance, end of year.....	-152,962	-105,501	-139,345
77	Adjustment to sec. 32 research funds (reported elsewhere).....	-9,063	-2,220	-----
90	Expenditures, special activities.....	273,010	176,004	80,684
	Total expenditures.....	1,917,843	2,881,872	2,856,056
Expenditures are distributed as follows:				
01	Out of current authorizations.....	1,679,984	1,928,995	2,837,943
02	Out of prior authorizations.....	237,859	952,877	18,113
Cash transactions:				
Price support and related programs:				
93	Gross expenditures.....	6,642,312	5,777,595	5,992,034
94	Applicable receipts.....	-4,997,479	-3,071,727	-3,216,662
Special activities:				
93	Gross expenditures.....	2,039,736	1,980,376	2,097,467
94	Applicable receipts.....	-1,766,726	-1,804,372	-2,016,783
Status of Unfunded Contract Authorization (in thousands of dollars)				
Unfunded balance, start of year ²		809,578	-----	988,860
Contract authorization.....		-----	988,860	-----
Unfunded balance, end of year ²		-----	-988,860	-638,393
Appropriation to liquidate contract authorization.....		809,578	-----	350,467

² Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes, certificates, or other obligations evidencing loans held by banks and accrued interest on such obligations. Other obligations, contingent liabilities and commitments do not become charges against the statutory borrowing authority until they result in either borrowings from Treasury or in notes, certificates, or other obligations evidencing loans held by banks and accrued interest on such obligations.

The Commodity Credit Corporation was created to stabilize, support, and protect farm income and prices, help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers, and help in their orderly distribution (15 U.S.C. 714-714p). It may also make available materials and facilities required in connection with the production and marketing of agricultural commodities. In addition to its basic functions, it is used to administer and, in some cases, temporarily finance numerous special activities.

The Corporation's capital stock of \$100 million is held by the United States. Up to \$14.5 billion may be borrowed to finance operations.

Budget assumptions.—The following general assumptions form the basis for the Corporation's 1968 and 1969 budget estimates: (a) Employment, production, and national income will rise both in 1968 and 1969 from the present level; (b) generally, exports of agricultural commodities in 1969 will increase over 1968 levels; (c) yields for the 1968 crops are based on recent averages adjusted for trend; (d) acreage allotments and marketing quotas will be in effect for the 1968 crops of peanuts, rice, cotton, and certain kinds of tobacco (Flue-cured tobacco will be on an acreage-poundage program); and (e) special programs for cotton, feed grains, and wheat will be continued. Legislation will be proposed to extend the latter programs beyond the 1969 crop, which is their present termination.

It is difficult to forecast with accuracy requirements for the year ending June 30, 1969. Complex and unpredictable factors are involved, such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

PROGRAMS OF THE CORPORATION

The basic functions of the Corporation include the following programs for which appropriations are made for net realized losses sustained (in thousands of dollars):

Program	1969 estimate		
	Gross obligations	Net expenditures	Net realized loss for year
Price support payments	1,265,000	1,211,000	1,265,000
Wheat certificates issued (530 million bushels)	742,000	359,000	360,000
Other price support	2,818,957	-70,708	494,982
Commodity export	255,650	74,900	74,900
Storage facilities	16,000		
Supply	261	-69	-9
Feed grain diversion (31 million acres)	790,000	852,000	790,000
Cotton diversion (3 million acres)	115,000	155,000	115,000
Other items not distributed by program	393,005	244,249	340,823
Total	6,395,873	2,825,372	3,440,696

Price support.—The Corporation, through loans, purchases, payments, and other means, supports the prices of agricultural commodities to producers. This is done mainly under the Commodity Credit Corporation Charter Act (15 U.S.C. 714) and the Agricultural Act of 1949, as amended (7 U.S.C. 1421).

The 1949 act makes price support mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco. It also requires support of the following nonbasic commodities: Tung nuts, honey, milk, butterfat and the products of milk and butterfat, barley, oats, rye, and grain sorghums. The National Wool Act of 1954, as amended (7 U.S.C. 1781-1787) requires price support for wool and mohair. Price support for other nonbasic com-

modities is discretionary. However, whenever the price of either cottonseed or soybeans is supported, the support price of the other must be set at such level as the Secretary determines will cause them to compete on equal terms on the market. The price-support program may also include operations to remove and dispose of surplus agricultural commodities in order to stabilize prices at levels not in excess of those permissible by law.

The principal methods of providing price support are loans to and purchases from producers. With limited exceptions, price-support loans are nonrecourse. The commodities serve as collateral for the loan and upon maturity thereof, the producer may deliver such collateral to satisfy his obligation without further payment, unless there is a deficiency in quantity or quality, or the producer is guilty of fraudulent representation.

Direct purchases are also made from processors as well as producers, depending on the commodity involved. Also, special purchases for the removal of surpluses are made under certain laws, for example: The act of August 19, 1958, as amended (7 U.S.C. 1431 note), and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431). In the case of feed grains, a portion of the price support is made through issuance of negotiable payment-in-kind certificates which are handled in the same manner as payment-in-kind certificates issued under the feed grain acreage diversion programs. In the case of cotton, in addition to loans, producers receive price-support payments in cash or in payment-in-kind certificates. In the case of wheat, in addition to loans and purchases, producers receive marketing certificates as hereinafter described.

In all the price-support operations, normal trade facilities are used to the maximum extent practicable. Local banks, cooperatives, and other financial institutions are used in lending activities. Commercial facilities are used to a great extent for storage.

Besides the Charter Act and laws mentioned above, many other laws are applicable to the disposition of commodities acquired under the price-support program through sales, donations, and barter.

For accounting purposes, the Corporation credits to the price-support program sales proceeds of commodities sold from its price-support stocks, including those disposed of through redemption of domestic and export payment-in-kind certificates and through special activities.

DATA ON PRICE-SUPPORT PROGRAM

[In thousands of dollars]

Item	1967 actual	1968 estimate	1969 estimate
Loans made	1,395,259	1,976,300	1,822,200
Loans repaid	1,138,340	1,156,777	1,568,600
Loan collateral forfeited	911,677	240,098	383,300
Loans outstanding, June 30	1,503,142	2,043,044	1,873,144
Acquisitions	1,340,501	778,294	838,870
Cost of commodities sold	2,430,799	1,406,274	547,935
Cost of commodities donated	138,448	252,790	273,260
Inventory as of June 30	1,854,904	974,134	991,809
Investment in price support as of June 30	3,358,046	3,017,178	2,864,953
Price support payment and wheat cert.	1,939,626	1,662,300	2,007,007
Net expenditures	487,808	1,377,116	1,449,292
Realized losses	1,870,259	2,147,949	2,119,982

Commodity export.—The Corporation promotes the export of agricultural commodities and products through sales, barter, payments, and other operations. Other than in barter for stockpiling purposes, such commodities and products may be those held in private trade channels as well as those acquired by the Corpora-

Federal Funds—Continued**COMMODITY CREDIT CORPORATION—Continued****Public enterprise funds—Continued****REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT—Continued**

tion in its price-support operations. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (d) and (f), and in accordance with specific statutes where applicable. Export sales for foreign currencies are made under the Agricultural Trade Development and Assistance Act of 1954, as amended, although such sales of commodities owned by the Corporation may also be made under its charter authority.

The activities described below are illustrative of those conducted under this program during 1968. With respect to barter, the emphasis is on exports in connection with various types of offshore procurement of materials and services needed by the Department of Defense, the Agency for International Development, and other agencies, for which they pay the Corporation. Barter may also be made for strategic and other materials for the supplemental stockpile but such barter is on a limited scale. Commodities available for barter vary from time to time.

When necessary to encourage export movement from free-market supplies, as well as from its own stocks, the Corporation makes payments on wheat, wheat flour, cotton, corn, grain sorghum, barley, oats, rye, rice, flaxseed, linseed oil, tobacco, butter, nonfat dry milk, milkfat, and cheese. The rate of payment generally is the difference between the prevailing world export sales price and the domestic market price.

To help develop or expand foreign markets, the Corporation also furnishes farm commodities and products for samples or exhibits at international trade fairs and for use abroad in testing consumer acceptance and commercial market potentials.

To maximize exports of agricultural commodities, including products thereof, the Corporation conducts an Export Credit Sales program under which it sells to exporters on credit, commodities from its inventories and finances credit sales by exporters of agricultural commodities from private stocks. Credit terms of these transactions provide for payment, with interest, in U.S. dollars within periods of not to exceed 3 years, and the credit is covered by acceptable bank guarantees furnished to the Corporation. The repayments received are applied against current costs. These commercial transactions are made under the Corporation's charter authority and section 4 of the Food for Peace Act (7 U.S.C. 1707a) and are to be distinguished from the long-term credit contracts involving foreign assistance authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended. Section 4 of the Food for Peace Act of 1966 authorizes appropriations to reimburse the Corporation annually for its actual costs incurred or to be incurred under this program. Estimates for this activity are included under special activities.

Storage facilities.—The Corporation conducts a program to provide storage adequate to fulfill its program needs. This program is conducted pursuant to sections 4 (h) and (m), and 5 (a) and (b) of the charter.

The Corporation has authority to buy bins (in storage-short areas) and equipment for the care and storage of grain owned by Commodity Credit Corporation or under its control. This authority to purchase bins has not been exercised since 1956. The Corporation has now reduced

its storage capacity by more than 50%. The Corporation makes loans for the purchase, building, or expanding of facilities for storage and care of commodities on the farm and sells to producers and others bins needed for the storage of grain. Bins sold by the Corporation may be those acquired for resale for this purpose or those which are no longer required by the Corporation for the storage of its own grain. Public Law 89-758 permits the sale of grain storage facilities no longer needed for such program use to public and private nonprofit agencies and organizations. The Corporation may also provide storage use guarantees, to encourage building of commercial storage and undertake other operations necessary to provide storage adequate to carry out the Corporation's programs.

Supply and foreign purchase.—The Corporation procures from domestic and foreign sources food, agricultural commodities, and products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies. It similarly procures or aids in the procurement of such foods, commodities, products, and material for sale to meet domestic requirements during periods of short supply or during such other times as will stabilize prices or facilitate distribution. Through purchases, loans, sales, or other means, the Corporation may also make available materials and facilities needed for the production and marketing of agricultural commodities. The Corporation, on behalf of the Secretary, also purchases at market prices dairy products which are donated to meet the requirements for schools, domestic relief distribution, community action programs, and other programs as are authorized by law when there are insufficient stocks of such products in the hands of the Corporation available for such purposes.

Purchases for other Federal agencies of commodities not in the Corporation's price-support stocks has been the main activity. Purchases of limited quantities of breeder, foundation, and registered seeds of improved varieties of grasses and legumes are made through production contracts in order to assure supplies thereof for farmers. No foreign purchases have been made in recent past years.

This program is conducted under section 5 (b) and (c) of the Commodity Credit Corporation Charter Act and with respect to dairy products under section 5(g) of that act and section 709 of the Food and Agriculture Act of 1965. Section 4 of the act of July 16, 1943 (15 U.S.C. 713a-9), requires that the Corporation be fully repaid from funds of such agencies for services performed, losses sustained, operating costs incurred, or commodities bought or delivered to or on behalf of any other Federal agency. Operations not subject to section 4 may involve losses if such are necessary to the accomplishment of the objectives of the particular operation.

Feed grain acreage diversion program.—An acreage diversion program is conducted on 1967 and 1968 crops of feed grains by the Agricultural Stabilization and Conservation Service utilizing the facilities and stocks of the Corporation. Under this program, payments are made to farmers who divert acreage from the production of feed grains (generally corn and grain sorghum) to an approved conservation use. This program is carried out under the Soil Conservation and Domestic Allotment Act, as amended by the Food and Agriculture Act of 1965 (Public Law 89-321, approved November 3, 1965).

Payments are made by the issuance of negotiable payment-in-kind certificates. The farmer may elect either to have the certificate redeemed in feed grains from the Corporation's stocks or if he requests the Corporation's assistance in the marketing of the certificate he may obtain cash by issuance by the Corporation of a negotiable sight draft. The Corporation markets rights, represented

by certificates on which it has made cash advances to buyers for redemption in feed grains from its stocks.

Wheat certificate program.—A wheat certificate program for 1967 and 1968 crops is conducted by the Agricultural Stabilization and Conservation Service utilizing the funds and facilities of the Corporation. This program is authorized by the Agricultural Adjustment Act of 1938, as amended by the Food and Agriculture Act of 1962, and Agricultural Act of 1964, and the Food and Agriculture Act of 1965.

Under the voluntary wheat certificate program, domestic marketing certificates are issued to participating farmers which may be sold at face value to Commodity Credit Corporation. Processors of wheat are required to buy domestic certificates equivalent to the number of bushels of wheat used in the manufacture of the food product.

Exporters may not ship abroad any wheat without buying export marketing certificates equivalent to the number of bushels exported. To make U.S. wheat and flour competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States, export certificates of variable value will be sold to exporters. The net proceeds, if any, from the sale of export marketing certificates, after deducting export subsidies paid exporters, will be distributed to producers on a pro rata basis.

Cotton acreage diversion program.—Payments will be made by CCC under section 103(d) of the Agricultural Act of 1949, as amended by the Food and Agriculture Act of 1965, to cotton producers who reduce cotton acreages by diverting a portion of their cotton acreage allotments to conservation uses. Payments will be made in cash or by the issuance of payment-in-kind certificates which CCC will redeem for cotton. CCC may assist the producers in the marketing of certificates in the same manner as it assists feed grain producers in the marketing of their payment-in-kind certificates.

Loan operations.—The following table reflects the loan operations of the Corporation which apply to the preceding programs (in thousands of dollars):

Item	1967 actual	1968 estimate	1969 estimate
Loans outstanding, gross, beginning of year:			
Commodity Credit Corporation.....	1,376,295	514,838	703,844
Certificates of interest or loans held by financial institutions.....	855,246	1,021,096	1,375,000
Total, loans outstanding, gross, beginning of year.....	2,231,541	1,535,934	2,078,844
Add loans made.....	1,410,949	1,994,300	1,838,200
Deduct:			
Loans repaid.....	1,155,180	1,171,769	1,584,600
Acquisition of loan collateral.....	911,677	240,098	383,300
Writeoffs.....	39,699	39,523	40,200
Total, loans outstanding, gross, end of year.....	1,535,934	2,078,844	1,908,944
Loans outstanding, gross, end of year:			
Commodity Credit Corporation.....	514,838	703,844	133,944
Certificates of interest or loans held by financial institutions.....	1,021,096	1,375,000	1,775,000
Total, loans outstanding, gross, end of year.....	1,535,934	2,078,844	1,908,944
Deduct allowance for losses.....	26,857	49,144	45,144
Loans receivable, net (price support and storage facilities).....	1,509,077	2,029,700	1,863,800

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs (in thousands of dollars):

AGRICULTURAL COMMODITIES			
	1967 actual	1968 estimate	1969 estimate
On hand, start of year, gross.....	3,102,912	1,856,556	974,444
Acquisitions:			
Forfeiture of loan collateral.....	911,677	240,098	383,300
Excess of collateral acquired over loans canceled.....	32,981	11,500	15,900
Purchases.....	531,209	692,778	633,570
Transfers and exchanges, net.....	-13,328	-7,035	-7,000
Carrying charges:			
Charges to inventory.....	2,403	800	900
Storage and handling.....	(194,425)	(89,510)	(102,000)
Transportation.....	(115,718)	(35,003)	(42,203)
Total carrying charges to inventory.....	2,403	800	900
Total acquisitions.....	1,464,942	938,141	1,026,670
Dispositions:			
Donations to:			
Needy persons, domestic.....	138,119	251,878	272,348
Veterans Administration and Armed Forces.....		672	672
Research, experimentation, education, penal, etc.....	329	240	240
Total donations.....	138,448	252,790	273,260
Sales and transfers:			
Barter:			
For supplemental stockpile.....	32,540	25,338	1,200
For offshore procurement.....	75,184	34,482	58,600
Special programs:			
Title I, Public Law 480.....	141,682		
Title II, Public Law 480.....	309,511	329,000	354,200
Migratory waterfowl feed and game birds.....	19	21	40
Total, special programs.....	451,212	329,021	354,240
Commodity export program, payment-in-kind deliveries.....	367,250		
Marketing of grain certificates.....	199,360	2,500	57,000
Marketing of cotton certificates.....	267,172	400,000	60,000
Other sales.....	1,491,240	1,176,738	168,790
Net loss or gain, sales and transfers.....	-311,108	-400,616	21,565
Total, sales and transfers.....	2,572,850	1,567,463	721,395
Total dispositions.....	2,711,298	1,820,253	994,655
On hand, end of year, gross.....	1,856,556	974,444	1,006,459
Less allowance for losses.....	569,288	245,000	250,000
On hand, end of year, net.....	1,287,268	729,444	756,459

STRATEGIC AND CRITICAL MATERIALS			
	1967 actual	1968 estimate	1969 estimate
On hand, start of year, gross.....	10,345	3,509	1,200
Acquisitions:			
Delivered by barter contractors.....	25,515	22,691	
Carrying charges:			
Storage and handling.....	(393)	(150)	
Transportation.....	(152)	(100)	
Total, carrying charges.....	(545)	(250)	
Total acquisitions.....	25,515	22,691	
Dispositions:			
Supplemental stockpile.....	32,540	25,338	1,200
Difference between costs and transfer value.....	-189	-338	
Total dispositions.....	32,351	25,000	1,200
On hand, end of year, gross.....	3,509	1,200	
Less allowance for losses.....	34		
On hand, end of year, net.....	3,475	1,200	

*Federal Funds—Continued***COMMODITY CREDIT CORPORATION—Continued****Public enterprise funds—Continued****REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT—Continued**

Administrative expenses.—Administrative expenses are for the operating staff and the services of employees of the Agricultural Stabilization and Conservation Service engaged in the Corporation's activities, services performed by the Foreign Agricultural Service and other agencies of the department, costs of audit, and payments to the General Services Administration for space. Estimates for 1969 include a limitation of \$31.5 million for costs of administration including a reserve of not less than 7% for contingencies.

The requested authorization excludes administrative expenses in connection with the supply program, which has a markup in the sales price to cover administrative expenses, and excludes the wool and mohair program, under the National Wool Act of 1954, as amended, and the sale of long-staple cotton transferred from the national stockpile, which are included with the costs of those programs under "Special activities."

Nonadministrative expenses.—Expenses of acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an interest have been treated as program rather than administrative expenses. Such expenses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal or State licensed inspectors; work performed on a contract or fee basis by Agricultural Stabilization and Conservation county committees; and special services performed by other Federal agencies outside of this department.

Most of these general nonadministrative expenses, including storage and handling, transportation, inspection, classing and grading, and resale payments are included in program costs, in the entry entitled "Storage, transportation, and other costs not included above" in the program and financing schedule. The item "Non-administrative expense" which appears in the schedule covers county offices, other ASCS expenses offset by revenue, custodian, and agency expense of the Federal Reserve banks and lending agencies, and miscellaneous costs.

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation "Reimbursement for net realized losses." The Corporation also obtains recovery through this appropriation for the funds transferred to the Agricultural Research Service pursuant to the Department of Agriculture and Related Agencies Appropriation Act of 1964 for cost of production research and other related research designed to reduce surplus commodities held by the Corporation.

SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

A summary of such current activities not included under other designated activities is as follows (in thousands of dollars):

Program	1969 estimate	
	Gross obligations	Net expenditures (reimbursable)
(1) Sale of agricultural commodities for foreign currencies.....	522,400	279,400
(2) Sale of agricultural commodities for dollars on credit terms.....	864,450	722,850
(3) Commodities disposed of and other costs incurred in connection with donations abroad.....	442,150	442,150
(4) Bartered materials for supplemental stockpile.....	1,200	1,200
(5) Military housing (barter and exchange).....	-----	-2,000
(6) National Wool Act.....	62,571	62,571
(7) Grain for migratory waterfowl feed.....	40	-----
(8) Surplus grain for migratory birds.....	-----	-----
(9) Grading and classing activities ¹	-----	-----
(10) Research to increase domestic consumption of farm commodities ¹	-----	4,156
(11) Defense activities ¹	-----	-----
(12) Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.....	-----	-----
(13) Loans for agricultural conservation.....	35,000	-5,000
(14) Use of CCC facilities for ASCS programs:		
a. Soil bank program ¹	-----	-----
b. Cropland conversion, agricultural conservation and emergency conservation measures programs ¹	-----	-----
c. Cropland adjustment program ¹	-----	-----
d. Sugar program ¹	-----	-----
e. County office expenses ¹	-----	-----
(15) Export credit sales (short term).....	203,500	23,500
Total.....	2,131,311	1,528,827

¹ Financial data included under respective appropriation item.

The Corporation receives appropriations or reimbursement for cost of these activities as described under each.

To the extent sufficient appropriations are not provided in advance, expenditures under the Agricultural Trade Development and Assistance Act of 1954, as amended, and investments in materials transferred to the supplemental stockpile, are made by the Corporation subject to repayment from subsequent appropriations authorized for such purpose.

Activities currently being carried out are as follows (see foreign assistance programs and special export programs for details of items (1)-(4)):

(1) *Sale of agricultural commodities for foreign currencies.*
 (2) *Sale of agricultural commodities for dollars on credit terms.*

(3) *Commodities disposed of and other costs incurred in connection with donations abroad.*

(4) *Bartered materials for supplemental stockpile.*

(5) *Military housing (barter and exchange).*—During 1957, a contract was completed for the disposition of Corporation-owned commodities valued at \$50 million for the construction of military housing in France with foreign currencies obtained from this transaction. 10 U.S.C. 2681(b) as amended, provides for annual payment to the Corporation by the Department of Defense until liquidation of the amounts due for foreign currencies obtained under Public Law 480 for military housing. It is estimated that \$2 million will be applied against the amounts due under the French housing transaction in each of 1968 and 1969. The agreement between the Commodity Credit Corporation and the Department of Defense provides that upon sale of any of the housing, the Corporation will receive the proceeds.

(6) *National Wool Act.*—Under the National Wool Act of 1954, as amended, incentive payments are being used to encourage the annual domestic production of about 300 million pounds of shorn wool. Support of prices of wool and

mohair is mandatory. Incentive payments are made to eligible producers in order to bring the national average price received by all producers up to the announced incentive level which is determined in accordance with a formula specified in the act.

COST OF THE NATIONAL WOOL ACT

[Dollars in thousands]

Item	Fiscal year 1967 (actual)	Fiscal year 1968 (estimate)	Fiscal year 1969 (estimate)
Volume of marketings:			
Shorn wool (thousand pounds)-----	163,439	179,600	173,800
Unshorn lambs (thousand cwt.)-----	9,728	9,000	9,000
Mohair (thousand pounds)-----	29,040	29,000	28,000
Amount of payments:			
Shorn wool-----	\$21,084	\$43,104	\$43,450
Unshorn lambs-----	5,058	8,640	9,000
Mohair-----	6,418	9,493	7,672
Promotional and advertising program ¹ -----	(3,629)	(3,800)	(3,700)
Total payments-----	32,560	61,237	60,122
Administrative expenses-----	1,818	1,729	1,733
Interest expense-----	415	734	716
Total-----	34,793	63,700	62,571

¹ Deduction from producer payments for promotional advertising and selected marketing development activities.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70% of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual and estimated payments compared with this limitation are as follows (in thousands of dollars):

Item	1967 actual	1968 estimate	1969 estimate
70% of customs receipts on wool and wool manufactures, cumulative from Jan. 1, 1953, to end of preceding calendar year (estimate)-----	996,950	1,085,650	1,174,350
Cumulative incentive payments on marketings for preceding calendar year-----	537,163	598,399	658,521
Balance of limitation available for payments on succeeding marketing years-----	459,787	487,251	515,829

Funds of the Commodity Credit Corporation are used to carry on this program. For the purpose of reimbursing the Corporation, section 705 of the act appropriates each fiscal year an amount equal to amounts expended by the Corporation during the preceding year and to amounts expended in prior fiscal years not previously reimbursed, but not to exceed an amount equal to 70% of the gross receipts from duties collected on wool and wool manufactures during the calendar year preceding the fiscal year.

Estimated costs and appropriations to Commodity Credit Corporation during 1967, 1968, and 1969 are indicated in the following table (in thousands of dollars):

Item	1967 actual	1968 estimate	1969 estimate
Due at beginning of year-----	38,260	34,793	63,700
Costs for year:			
Program-----	34,378	62,966	61,855
Interest-----	415	734	716
Total due-----	73,053	98,493	126,271
Appropriation to Commodity Credit Corporation for the year-----	38,260	34,793	63,700
Appropriation 1968, 1969, and 1970-----	34,793	63,700	62,571

(7) *Grain for migratory waterfowl feed.*—To prevent damage of crops by migratory waterfowl, the Corporation is directed to furnish to the Secretary of the Interior (7 U.S.C. 442-445) such grain acquired through price-support operations and certified by Commodity Credit Corporation as available for such purposes or in such condition as to be undesirable for human consumption, as the Secretary of the Interior shall requisition. This appropriation item is included under that department.

(8) *Surplus grain for migratory birds.*—Under Public Law 87-152, approved August 17, 1961 (7 U.S.C. 448), the Secretary of the Interior may requisition grain of the Corporation to feed starving migratory birds. This appropriation item is included under that department.

(9) *Grading and classing activities.*—The Corporation may make advances to the Consumer and Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U.S.C. 414a, 440). Such advances used for classing cotton and grading tobacco not placed under price-support loan are repaid from an appropriation of the Consumer and Marketing Service.

(10) *Research to increase domestic consumption of farm commodities.*—The Department of Agriculture and Related Agencies Appropriation Act of 1964 authorized the transfer of not more than \$16 million from the appropriation "Removal of surplus agricultural commodities" (sec. 32) to the Corporation to be used to increase domestic consumption of surplus farm commodities, and provided for the transfer for such purposes of such sums not in excess of \$25 million in any one year, as may be approved by Congress. The 1965 appropriation act authorized the transfer of \$12,175 thousand of section 32 funds for this purpose. The Corporation transfers such funds to the Agricultural Research Service and Cooperative State Research Service to conduct the required research. For comparability, all transactions under this item are shown in the budget schedules for these two agencies (except expenditures).

(11) *Defense activities.*—Upon the declaration of a national emergency, the facilities, services, authorities and funds of the Commodity Credit Corporation may be used, as directed by the Secretary of Agriculture and in accordance with applicable provisions of law, to carry out responsibilities and functions assigned to the Secretary of Agriculture under the Defense Production Act of 1950, as amended, the Civil Defense Act, as amended, and such other defense legislation as may be enacted.

(12) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—The act of July 10, 1957 (71 Stat. 290), authorized the transfer of 50,000 bales of domestically grown cotton from the national stockpile to the Corporation for sale. Also, about 219,000 bales of cotton, both American-Egyptian and foreign grown, in the stockpile were made available to the Corporation for disposition under Public Law 87-548, approved July 25, 1962. The cotton is not recorded as a Corporation asset. Proceeds less costs incurred, including administrative expenses, are covered into the Treasury as miscellaneous receipts from time to time. No interest is paid by CCC for the use of the money prior to covering.

(13) *Loans for agricultural conservation.*—Under section 391(c) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1391), the Corporation advances funds to the Secretary in amounts not to exceed \$50 million annually to purchase conservation materials and services. Repayments of the loans plus interest are made in the succeeding fiscal year from funds appropriated for the agricultural conservation program.

Federal Funds—Continued**COMMODITY CREDIT CORPORATION—Continued****Public enterprise funds—Continued****REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT—Continued**

(14) *Use of CCC facilities for Agricultural Stabilization and Conservation Service programs.*—Under the respective enabling legislation, the services, facilities, and authorities of the Corporation are used to make payments to producers under various programs administered by the Agricultural Stabilization and Conservation Service.

No disbursements are made unless funds have been received in advance from the applicable appropriation. Among these programs are: Soil bank, cropland conversion, agricultural conservation, cropland adjustment, Appalachia regional conservation, emergency conservation measures, and the Sugar Act program.

CCC sight drafts are issued by ASCS county offices for county operating expenses paid through local county committee bank accounts. The Corporation receives advances from the appropriation "Expenses, ASCS" to cover the sight drafts drawn.

(15) *Export Credit Sales (short-term).*—This program is described under Commodity Credit Corporation—Commodity Export Program on p. 156.

FINANCING

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made or held by lending agencies or other financial institutions or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1938 (15 U.S.C. 713a-4).

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on certificates of interest and lending agency obligations for the period the agencies have their funds invested.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964, on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized.

The computation of the transfer from interest-bearing to non-interest-bearing capital is (in millions of dollars):

Item	1967	1968	1969
Realized deficit not previously reimbursed, start of year.	7,598	7,856	9,921
Less appropriations for year.	3,556	1,400	3,649
Total non-interest-bearing, end of year.	4,042	6,456	6,272

On the basis of the budgetary assumptions, the estimated requirements indicate no need for an increase in borrowing authority. Since there are so many uncontrollable factors involving crops which have not even been planted, it must be recognized that estimates are highly tentative.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions of dollars]

Item	1967 actual	1968 estimate	1969 estimate
Statutory borrowing authority.	14,500	14,500	14,500
Deduct:			
Borrowings from Treasury.	10,097	11,549	10,722
Obligations to purchase loans or certificates held by financial institutions (guaranteed by Commodity Credit Corporation).	1,021	1,375	1,775
Accrued interest on above obligations and certificates held by financial institutions.	21	30	40
Total statutory borrowing authority in use.	11,139	12,954	12,537
Net statutory borrowing authority available.	3,361	1,546	1,963

Note.—A sufficient amount of the borrowing authority is required to be reserved to cover obligations to purchase notes and certificates of interest held by financial institutions and accrued interest thereon. Such obligations, however, as well as accounts payable, accrued liabilities, and other outstanding obligations not reflected on this table, do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

Contract authorization.—Price support and other programs required by statute may result in the Corporation incurring obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations. Any increase in obligations in excess of available fund resources is reported as a contract authorization in the year involved; a decrease is reported as the application of appropriations to liquidate the authorization. The budget reflects a decrease of \$810 million in 1967, an increase of \$989 million in 1968, and a decrease of \$350 million in 1969.

Appropriations.—Under Public Law 87-155 (15 U.S.C. 713a-11, 12), annual appropriations are authorized for each fiscal year to reimburse the Commodity Credit Corporation for net realized losses incurred as of the close of each year.

The realized losses for the price support and related programs for 1967 were \$3,814 million, and the cumulative losses not yet appropriated for were \$7,856 million. It is estimated that an appropriation of \$3,648.5 million would provide sufficient funds for the operations described for 1969. It would also leave a desirable operating margin to assure flexibility of operations in view of the volume of transactions handled.

The special activities are financed as indicated in the program description above. In addition to certain reimbursements for other agencies, appropriations are made for the National Wool Act (see above) and for foreign assistance and special export programs (see that heading on page 164).

Deficit.—The net realized losses of the Corporation have previously been reimbursed as follows (in thousands of dollars):

PRICE SUPPORT AND RELATED PROGRAMS

Realized losses, 1933 to 1967, inclusive.	34,065,167
Reimbursements by the Treasury:	
Reimbursement of realized losses:	
Appropriations (19 times)	22,598,405
Note cancellations (6 times)	2,697,807

Less dividends paid to Treasury (4 times).....	138,209
Total reimbursement for net realized losses.....	25,434,421
Other reimbursements:	
Appropriations (2 times).....	541,916
Note cancellation (1 time).....	56,239
Total other reimbursements.....	598,155
Reimbursement for costs of special milk, net.....	177,037
Total.....	26,209,613
Realized deficit, as of June 30, 1967, price support and related programs.....	7,855,554

SPECIAL ACTIVITIES	
Realized losses, 1948 to 1967, inclusive.....	14,206,170
Excess amounts appropriated to reimburse cost of special activities.....	236,751
Reimbursements by the Treasury:	
Appropriations (19 times).....	13,432,887
Note cancellations (4 times).....	536,518
Total reimbursements.....	13,969,405
Deficit as of June 30, 1967, special activities, net.....	473,516

Capital and deficits, special activities.—Advances to the Corporation in excess of costs incurred, and costs incurred in excess of advances received are shown in the following table (in thousands of dollars):

Foreign assistance and special export programs:

Public Law 480:

	Excess of funds held by CCC				Deficit requiring subsequent funds			
	1966	1967	1968	1969	1966	1967	1968	1969
Title I:								
Sale of agricultural commodities for foreign currencies and for dollars on credit terms.....		233,213	122,713		109,942			
Military housing.....					57,567	53,973	49,973	45,973
Title II: Commodities disposed of and other costs incurred in connection with donations abroad.....	146,430					89,456	122,456	
International Wheat Agreement.....	7,511							
Bartered materials for supplemental stockpile.....	36,078	3,538	1,200					
Subtotal.....	190,019	236,751	123,913		167,509	143,429	172,429	45,973
Deficit financed by CCC or excess funds held (—).....					(—22,510)	(—93,322)	(48,516)	(45,973)
Other programs:								
Military housing (barter and exchange).....					35,951	33,951	31,951	29,951
National Wool Act.....					38,260	34,793	63,700	62,571
Grain for migratory waterfowl feed (Interior).....					95	19		
Surplus grain for migratory birds (Interior).....					10			
Export credit sales (short-term).....						261,324	229,224	252,724
Subtotal.....					74,316	330,087	324,875	345,246
Total.....	190,019	236,751	123,913		241,825	473,516	497,304	391,219

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 estimate	1969 estimate
PRICE SUPPORT AND RELATED PROGRAMS			
Revenue.....	2,682,986	1,622,652	1,178,362
Expense.....	6,451,148	5,087,936	4,619,058
Net realized loss.....	—3,768,162	—3,465,284	—3,440,696
Increase (—) or decrease in provision for losses (unrealized):			
On commodities for sale.....	79,329	324,322	—5,000
On loans receivable.....	205,665	—22,287	4,000
On accounts receivable.....	987	1,033	
Net loss for the year, price support and related programs.....	—3,482,181	—3,162,216	—3,441,696
Analysis of deficit:			
Deficit, start of year.....	—8,485,945	—8,457,766	—10,220,257
Transfer of loss from special activities: Foreign donations.....	—45,488		
Recovery of prior year costs (special milk).....	8		
Appropriations (net):			
Reimbursement for net realized losses.....	3,555,855	1,399,725	3,648,506
Reimbursement for costs of special milk program lapsing.....	—15		
Deficit, end of year:			
Realized.....	—7,855,554	—9,921,113	—9,713,303
Unrealized.....	—602,212	—299,144	—300,144
Total deficit, end of year, price support and related programs.....	—8,457,766	—10,220,257	—10,013,447
SPECIAL ACTIVITIES			
Revenue.....	221,282	563,040	528,640
Received from appropriations: Increase (—) or decrease in unearned receipts.....	—46,732	112,838	123,913
Earned revenue.....	174,550	675,878	652,553
Expense.....	1,999,478	1,932,959	2,058,311
Net operating loss, special activities.....	—1,824,928	—1,257,081	—1,405,758
Analysis of deficit:			
Deficit, start of year.....	—241,825	—473,516	—497,304
Transfer of loss to price support and related: Foreign donations.....	45,488		
Appropriation: National Wool Act.....	38,260	34,793	63,700
Advance from foreign assistance programs and special export programs (net).....	1,509,489	1,198,500	1,448,143
Deficit, end of year, special activities.....	—473,516	—497,304	—391,219
Total deficit, Commodity Credit Corporation.....	—8,931,282	—10,717,561	—10,404,666

*Federal Funds—Continued***COMMODITY CREDIT CORPORATION—Continued****Public enterprise funds—Continued**

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT—Continued

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 estimate	1969 estimate
Assets:				
Cash: Treasury balance.....	45,644	63,521	50,000	50,000
Accounts receivable:				
Price support and related programs (net of provision for losses).....	416,533	176,208	148,000	80,000
Special activities: Stockpile cotton.....	170	52	-----	-----
Selected assets: ¹ Price support and related programs:				
Commodities for sale, net of provision for losses:				
Agricultural commodities.....	2,454,404	1,287,268	729,444	756,459
Strategic and critical materials.....	10,202	3,475	1,200	-----
Deferred and undistributed charges.....	5,613	5,887	5,000	5,000
Interest in amounts due from foreign governments and private trade entities under Public Law 480.....	453,446	610,510	1,038,113	1,723,406
Loans receivable, net of provision for losses:				
Price support and storage facility loans (held by Commodity Credit Corporation).....	1,143,772	487,981	654,700	88,801
Special activities (loan for agricultural conservation).....	44,900	45,000	40,000	35,000
Fixed assets, net.....	54,177	38,965	24,965	17,565
Total assets.....	4,628,861	2,718,867	2,691,422	2,756,231
Liabilities:				
Current liabilities:				
Price support and related programs:				
Obligations to redeem payment-in-kind certificates:				
Certificates not redeemed.....	3,616,438	5,187,247	6,605,700	8,658,700
Less: Advances on pooled certificates held by Commodity Credit Corporation.....	3,491,561	5,182,654	6,605,700	8,658,700
Certificates held by others.....	124,877	4,593	-----	-----
Other current liabilities.....	622,802	495,508	519,978	570,817
Total price support and related programs.....	747,679	500,101	519,978	570,817
Special activities:				
Obligation to finance research.....	17,395	13,889	5,500	1,345
National Wool Act payments due producers.....	258	-----	-----	-----
Amounts due Treasury for stockpile cotton.....	1,804	1,249	-----	-----
Advances from Agricultural Stabilization and Conservation Service Programs.....	78,143	90,747	72,326	43,752
Deferred interest in amounts due from foreign governments and private trade entities under Public Law 480.....	453,446	610,510	1,038,113	1,723,406
Total liabilities.....	1,298,725	1,216,495	1,635,917	2,339,320
Government equity:				
Price support and related programs:				
Interest-bearing capital (including \$100 million capital stock balance):				
Start of year.....	8,846,119	7,255,000	6,155,000	5,193,328
Transfer to/from non-interest-bearing status.....	-248,006	570,984	-2,413,925	183,221
Borrowings from Treasury (net).....	-1,343,113	-1,670,984	1,452,253	-827,576
End of year.....	7,255,000	6,155,000	5,193,328	4,548,973
Non-interest-bearing capital:				
Start of year.....	4,364,881	4,612,887	4,041,903	6,455,828
Transfer from/to interest-bearing status.....	248,006	-570,984	2,413,925	-183,221
End of year.....	4,612,887	4,041,903	6,455,828	6,272,607
Subtotal, capital and borrowings, end of year, price support and related programs.....	11,867,887	10,196,903	11,649,156	10,821,580
Special activities: Non-interest-bearing capital:				
Start of year.....	132,336	190,019	236,751	123,913
Change in unearned receipts from appropriation.....	57,683	46,732	-112,838	-123,913
End of year.....	190,019	236,751	123,913	-----
Total capital, end of year.....	12,057,906	10,433,654	11,773,069	10,821,580
Deficit: Price support and related programs:				
Net realized deficit.....	-7,597,752	-7,855,554	-9,921,113	-9,713,303
Net unrealized deficit.....	-888,193	-602,212	-299,144	-300,144
Total deficit, price support and related programs.....	-8,485,945	-8,457,766	-10,220,257	-10,013,447
Total deficit, special activities (realized).....	-241,825	-473,516	-497,304	-391,219
Total deficit.....	-8,727,770	-8,931,282	-10,717,561	-10,404,666
Total Government equity.....	3,330,136	1,502,372	1,055,508	416,914

Analysis of Government Equity and Undrawn Authorizations (in thousands of dollars)

Obligations other than liabilities: ¹				
Price support and related programs:				
Obligations to purchase loans or certificates held by lending agencies ² -----	855, 246	1, 021, 096	1, 375, 000	1, 775, 000
Other commitments-----	2, 152, 965	1, 864, 254	2, 064, 900	2, 017, 900
Total obligations other than liabilities, price support, and related programs-----	3, 008, 211	2, 885, 350	3, 439, 900	3, 792, 900
Special activities: Letters of commitment for Public Law 480-----	150, 547	137, 876	100, 000	138, 000
Total obligations other than liabilities-----	3, 158, 758	3, 023, 226	3, 539, 900	3, 930, 900
Unobligated balance, end of year-----		1, 013, 666		
Invested capital-----	3, 713, 069	1, 868, 576	1, 455, 312	902, 827
Subtotal-----	6, 871, 827	5, 905, 468	4, 995, 212	4, 833, 727
Less:				
Undrawn authorization to expend public debt receipts-----	-2, 732, 113	-4, 403, 096	-2, 950, 844	-3, 778, 420
Unfunded contract authorization-----	-809, 578		-988, 860	-638, 393
Total Government equity-----	3, 330, 136	1, 502, 372	1, 055, 508	416, 914

Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established. Also not included is an amount for possible losses under the export credit sales program although some accounts are in default. The Corporation does not presently have adequate basis for estimating an amount of possible losses on these accounts.

¹ The changes in these items are reflected on the program and financing schedule.

² Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes, certificates, or other obligations evidencing loans held by banks and accrued interest on such obligations. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in either borrowings from Treasury or in notes, certificates or other obligations evidencing loans held by banks and accrued interest on such obligations.

Object Classification (in thousands of dollars)

Identification code 05-48-4336-0-3-999	1967 actual	1968 est.	1969 est.
COMMODITY CREDIT CORPORATION			
22.0 Transportation of things-----	277, 745	230, 803	275, 003
25.1 Other services-----	9, 787	9, 250	12, 026
Advances to:			
Expenses, Agricultural Stabilization and Conservation Service-----	74, 851	58, 608	60, 480
Foreign Agricultural Service-----	1, 684	1, 912	2, 007
Consumer and Marketing Service-----	2, 048	2, 267	2, 288
Storage and handling-----	164, 138	112, 950	149, 661
26.0 Supplies and materials: Cost of commodities sold or donated:			
Foreign assistance programs and special export programs-----	1, 804, 049	1, 674, 059	1, 761, 690
Other-----	2, 618, 830	1, 520, 931	1, 000, 855
31.0 Equipment-----	119	300	300
33.0 Investments and loans-----	1, 290, 099	1, 680, 396	1, 473, 200
41.0 Grants, subsidies, and contributions-----	3, 041, 780	2, 689, 137	3, 040, 759
43.0 Interest and dividends-----	327, 118	350, 800	332, 100
93.0 Administrative expenses—see separate schedule (included above)-----	(32, 185)	(31, 484)	(29, 216)
Total costs, funded-----	9, 612, 248	8, 331, 413	8, 110, 369
94.0 Change in selected resources-----	-1, 309, 120	-44, 310	416, 815
Total obligations, Commodity Credit Corporation-----	8, 303, 128	8, 287, 103	8, 527, 184

ALLOCATION TO GENERAL SERVICES ADMINISTRATION ¹

Personnel compensation:			
11.1 Permanent positions-----	167		
11.3 Positions other than permanent-----			
11.5 Other personnel compensation-----			
Total personnel compensation-----	167		
12.0 Personnel benefits-----	13		
21.0 Travel and transportation of persons-----	9		
Payment to interagency motor pools-----	6		

22.0 Transportation of things-----	167		
23.0 Rent, communications, and utilities-----	20		
24.0 Printing and reproduction-----	1		
25.1 Other services-----	141		
25.2 Services of other agencies-----	24		
26.0 Supplies and materials-----	5		
Total obligations, General Services Administration-----	553		
99.0 Total obligations-----	8, 303, 681	8, 287, 103	8, 527, 184

Personnel Summary

ALLOCATION TO GENERAL SERVICES ADMINISTRATION

Total number of permanent positions-----	32		
Full-time equivalent of other positions-----			
Average number of employees-----	21.9		
Average GS grade-----	7.3		
Average GS salary-----	\$7, 927		
Average salary of ungraded positions-----	\$7, 150		

¹ Reimbursable basis beginning fiscal year 1968.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$31,500,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof. (15 U.S.C. 714-714p; 31 U.S.C. 841-871; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Federal Funds—Continued**COMMODITY CREDIT CORPORATION—Continued****Public enterprise funds—Continued****LIMITATION ON ADMINISTRATIVE EXPENSES—Continued****Program and Financing (in thousands of dollars)**

	1967 actual	1968 est.	1959 est.
Program by activities:			
Price support, export, and related activities (program costs, funded).....	32,179	31,484	29,216
Change in selected resources ¹	6	-----	-----
Total obligations.....	32,185	31,484	29,216
Financing:			
Unobligated balance lapsing.....	2,115	16	-----
Reserve for contingencies.....	-----	-----	2,284
Limitation.....	34,300	31,500	31,500

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$6 thousand; 1967, \$12 thousand; 1968, \$12 thousand; 1969, \$12 thousand.

Object classification (in thousands of dollars)

Identification code 05-48-4336-0-3-999	1967 actual	1968 est.	1969 est.
25.2 Services of other agencies: Advanced to—			
“Expenses, Agricultural Stabilization and Conservation Service”.....	28,453	27,305	24,921
“Salaries and expenses, Foreign Agricultural Service”.....	1,684	1,912	2,007
“Consumer protective marketing and regulatory program, Consumer and Marketing Service”.....	2,048	2,267	2,288
93.0 Administrative expenses included in schedule for funds as a whole.....	—32,185	—31,484	—29,216
99.0 Total obligations.....	-----	-----	-----

FOREIGN ASSISTANCE PROGRAMS AND SPECIAL EXPORT PROGRAMS

Facilities and funds of the Commodity Credit Corporation may by law be used in carrying out programs for exporting agricultural commodities. The laws also authorize appropriations to be made to cover costs of such programs. When funds become available, advances are made to the Corporation for estimated costs. If the amounts appropriated are greater than actual needs, the excess is used to reduce future appropriation requests. If the appropriations are less than actual needs, other Corporation funds may be used temporarily to finance the balance of authorized costs.

FOREIGN ASSISTANCE PROGRAMS

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended by the Food for Peace Act of 1966 (Public Law 89-808, approved Nov. 11, 1966): Sale of agricultural commodities for foreign currencies (title I); sale of agricultural commodities for dollars on credit terms (title I); and commodities disposed of and other costs incurred in connection with donations abroad (title II). The estimates for fiscal year 1969 assume extension of the Food for Peace Act of 1966 beyond December 31, 1968.

General and special funds:**PUBLIC LAW 480**

For expenses during fiscal year [1968] 1969, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended ([80 Stat. 1526] 7 U.S.C. 1701-1710, 1721-1725, 1731-1736d), to remain available until expended, as follows: (1) Sale of agricultural commodities for foreign currencies [pursuant to title I of said Act, \$921,000,000; (2) sale of agricultural commodities] and for dollars on credit terms pursuant to title I of said Act, [\$384,500,000] \$361,537,000: *Provided, That any unexpended balances of appropriations heretofore available under this heading for title I of said Act may be merged with this appropriation; and ([3] 2) commodities disposed of and other costs incurred in connection with donations abroad, pursuant to title II of said Act, [\$300,000,000] \$556,606,000. (Department of Agriculture and Related Agencies Appropriation Act, 1968; additional authorizing legislation to be proposed for \$200,000,000.)*

Program and Financing (in thousands of dollars)

Identification code 05-48-2274-0-1-154	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Sale of agricultural commodities for foreign currencies and for dollars on credit terms (title I).....	1,289,427	1,276,000	1,348,850
2. Commodities disposed of and other costs incurred in connection with donations abroad (title II).....	381,374	425,000	442,150
Total program costs, funded.....	1,670,801	1,701,000	1,791,000
Changes in costs financed by balance in CCC and by receipts.....	—153,801	—526,000	—542,857
10 Total obligations (object class 25.3).....	1,517,000	1,175,500	1,448,143
Financing:			
21 Unobligated balance available, start of year.....	-----	—100,000	—530,000
24 Unobligated balance available, end of year.....	100,000	530,000	-----
40 New obligational authority (appropriation).....	1,617,000	1,605,500	918,143
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	1,517,000	1,175,500	1,448,143
90 Expenditures.....	1,517,000	1,175,500	1,448,143
Expenditures are distributed as follows:			
01 Out of current authorizations.....	1,517,000	1,075,500	918,143
02 Out of prior authorizations.....	-----	100,000	530,000

Sales of agricultural commodities for foreign currencies or for dollars on credit terms are made under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended by the Food for Peace Act of 1966.

The Commodity Credit Corporation finances all sales made pursuant to agreements concluded under title I. Sales are made to friendly countries—as defined in section 103(d) of the act—and must not displace expected commercial sales for cash dollars (103(n)).

No agreements may be entered into after December 31, 1968. Agreements may not be made under title I in calendar year 1968 which call for an appropriation to reimburse Commodity Credit Corporation in excess of \$1.9 billion, plus unused prior years' authorizations.

Whenever practicable, terms of agreements must require payment at time of delivery of not less than 5% of the purchase price in dollars or in currencies convertible to dollars. These receipts will apply against costs to reflect a reduction in appropriation requests.

Factors determining availability of commodities for disposition under Public Law 480 are productive capacity, domestic requirements, farm and consumer price levels, anticipated commercial exports, and adequate carryover. No commodity is available for disposition if the disposition thereof would reduce the domestic supply below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars.

The Commodity Credit Corporation may finance the total ocean freight charges on U.S.-flag vessels in the case of dollar credit sales and "Sec. 103(b) convertible foreign currency" sales. Only the differential between U.S.-flag rates and world rates may be financed in the case of regular foreign currency sales.

1. *Sale of agricultural commodities for foreign currencies and for dollars on credit terms (title I).*—*Sale of agricultural commodities for foreign currencies (title I).*—Sales of agricultural commodities for foreign currencies are made to countries unable to expand commercial purchases because of a lack of dollar exchange. Foreign currencies received in payment are deposited to the account of the U.S. Treasury and can be used only as stated in section 104. The dollar value of such deposits through June 30, 1967, amounted to \$11 billion.

Uses fall into two groups—those of benefit to the foreign country, mainly loans and grants to promote economic development and to support common defense, and those of benefit to the United States. The latter includes, among others, expenses of the U.S. Government abroad, agricultural market development, educational exchange, construction of military family housing, and sales of foreign currency to U.S. citizens and American tourists.

Foreign currencies for U.S. uses, certain foreign currency grants, and uses of foreign currency loan repayments are subject to the appropriation process. Sales agreements specify particular uses, and in those entered into after December 31, 1964, at least 20% of the foreign currencies are required to be subject to the appropriation process, with certain possible exceptions. Such uses reduce dollar outflow and the deficit in the balance of payments of the United States. The Corporation is reimbursed for the dollar value of currencies so used. Proceeds from sales of foreign currencies and from dollar repayments of foreign currency loans are applied against costs to reflect a reduction in appropriation requests.

Section 509 of Public Law 86-500, approved June 8, 1960 (7 U.S.C. 1704b note) provides that at least 75% of the total cost of foreign military housing projects (unless otherwise specified) shall be paid from foreign currencies acquired under title I. The Department of Defense reimburses the Corporation for the foreign currencies used. Pursuant to section 2681(b) of title 10, U.S.C., as amended, the estimates reflect payment to the Corporation of \$6 million each year for amounts due under Public Law 480 and the French housing barter transaction discussed under Commodity Credit Corporation. It is estimated that \$4 million will be applied against Public Law 480 amounts due with a balance of \$46 million remaining unpaid as of June 30, 1969.

From inception through June 30, 1967, sales agreements have been signed with 53 countries. They cover sales of commodities at an export market value of over \$11 billion. Major items are wheat, cotton, and fats and oils.

The following table reflects costs incurred (in thousands of dollars):

<i>Fiscal year</i>	<i>Program expenditures</i>	<i>Interest</i>	<i>Total</i>
1955 to 1965.....	13,513,688	247,191	13,760,879
1966.....	1,287,834	-----	1,287,834
1967.....	1,067,751	-----	1,067,751
1968 (estimate).....	740,000	-----	740,000
1969 (estimate).....	522,400	-----	522,400
Cumulative totals.....	17,131,673	247,191	17,378,864
Deduct sales of currencies, loan repayments, and receipts from Defense Department.....	-----	-----	2,123,783
Net costs (foreign currency sales).....	-----	-----	15,255,081
Net cost (long-term credit sales financed from this appropriation).....	-----	-----	279,996
Total net costs financed from this appropriation.....	-----	-----	15,535,077
Appropriations through June 30, 1969.....	-----	-----	15,489,104
Unreimbursed costs, June 30, 1969, representing amounts due from Defense Department (financed by CCC borrowing authority).....	-----	-----	45,973

Sale of agricultural commodities for dollars on credit terms (title I).—Sales of U.S. agricultural commodities under long-term dollar credit terms are also authorized. The act provides for a progressive shift from foreign currency sales to dollar credit sales, to be completed by December 31, 1971.

Agreements are made with friendly countries or with United States and foreign private trade. They may provide for delivery in annual installments for not more than 10 years from the date of the agreement subject to the availability of the commodity.

Payments are in dollars with interest at rates not less than the minimum required by section 201 of the Foreign Assistance Act of 1961, as amended, for loans made under that section. Payments are made in reasonable annual amounts over periods of not to exceed 20 years from the date of last delivery in each calendar year under the agreement, except that the first annual payment may be deferred for a period not later than 2 years after such date of last delivery. Interest is computed from the date of such last delivery. As payments are received each year, they are applied against current costs to reflect a reduction in the appropriation request. Private trade agreements must provide for projects to establish improved storage or marketing facilities or otherwise encourage private economic enterprise in friendly countries.

To the extent that transition from foreign currency sales to dollar credit sales is not possible, transition to convertible foreign currency credit sales is authorized on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement. Credit terms are to be no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended. This authorizes convertible foreign currency credit sales to be made on the basis of payment in 40 years with a 10-year grace period. Dollar payments, when received, will also be applied against current costs and reduce appropriation requests.

Total agreements made since inception to June 30, 1967, amount to \$868.5 million cost value, including ocean freight for shipments on U.S. ships. Major commodities were wheat, cotton, and oils and oilseeds. Payments for the period amount to \$101.5 million, of which \$79.5 million was applied to principal and the rest to interest.

Federal Funds—Continued**FOREIGN ASSISTANCE PROGRAMS AND
SPECIAL EXPORT PROGRAMS—Con.****General and special funds—Continued**

PUBLIC LAW 480—Continued

The following table reflects costs incurred (in thousands of dollars):

<i>Fiscal year</i>	<i>Program expenditures</i>	<i>Interest</i>	<i>Total</i>
1962 to 1965.....	381,330	4,102	385,432
1966.....	274,594	-----	274,594
1967.....	221,676	-----	221,676
1968 (estimate).....	536,000	-----	536,000
1969 (estimate).....	826,450	-----	826,450
Cumulative totals.....	2,240,050	4,102	2,244,152
Deduct recoveries from foreign governments.....	-----	-----	-285,104
Total costs.....	-----	-----	1,959,048
Foreign currency funds applied to long-term credit costs.....	-----	-----	-279,996
Net costs.....	-----	-----	1,679,052
Appropriations through June 30, 1969.....	-----	-----	1,679,052
Amounts due from foreign governments June 30, 1969, to be applied against costs and reduce subsequent appropriations.....	-----	-----	1,723,406

The following table reflects the composition of the combined appropriations for 1967, 1968, and 1969 (in thousands of dollars):

<i>Item</i>	<i>1967 actual</i>	<i>1968 estimate</i>	<i>1969 estimate</i>
Expenses of shipments:			
Commodity costs:			
Foreign currency.....	993,422	703,800	488,600
Long-term credit.....	207,232	473,000	732,850
Total commodity costs.....	1,200,654	1,176,800	1,221,450
Ocean transportation:			
Foreign currency.....	74,329	36,200	33,800
Long-term credit.....	14,444	63,000	93,600
Total ocean transportation.....	88,773	99,200	127,400
Total foreign currency.....	1,067,751	740,000	522,400
Total long-term credit.....	221,676	536,000	826,450
Total, expenses of shipments....	1,289,427	1,276,000	1,348,850
Deduct receipts:			
Proceeds from sales and use of currencies and loan repayments (foreign currency).....	-170,779	-302,000	-239,000
Payments from foreign governments, including interest, applied to reduce appropriation (long-term credit)....	-44,803	-80,000	-103,600
Total foreign currency.....	896,972	438,000	283,400
Total long-term credit.....	176,873	456,000	722,850
Total.....	1,073,845	894,000	1,006,250
Prior years' costs or funds brought or carried forward:			
1966 costs:			
Foreign currency.....	62,632	-----	-----
Long-term credit.....	47,310	-----	-----
1967 funds:			
Foreign currency.....	80,396	-80,396	-----
Long-time credit.....	152,817	-152,817	-----
1968 funds placed in reserve:			
Foreign currency.....	-----	464,000	-464,000
Long-term credit.....	-----	58,000	-58,000
1968 funds:			
Foreign currency.....	-----	99,396	-99,396
Long-term credit.....	-----	23,317	-23,317

Foreign currency funds applied to long-term credit costs:

Foreign currency.....	-----	-----	279,996
Long-term credit.....	-----	-----	-279,996

Appropriation or estimate:

Foreign currency.....	1,040,000	921,000	-----
Long-term credit.....	377,000	384,500	361,537
Total.....	1,417,000	1,305,500	361,537

2. *Commodities disposed of and other costs incurred in connection with donations abroad (title II).*—Available agricultural commodities are furnished to meet famine or other urgent or emergency relief needs. Also, commodities are furnished to promote economic and community development in friendly developing countries, to combat malnutrition, and for needy people, nonprofit school lunch, and preschool feeding programs. They are furnished through friendly governments and private or public agencies, including intergovernmental organizations such as the world food program. The Food for Peace Act, in amending title II, expressed the sense of Congress that other advanced nations should be encouraged to make increased contributions for the purpose of combating world hunger and malnutrition, and that to achieve this objective the United States should work to expand the United Nations' World food program.

The Agency for International Development is responsible for administering title II programs. However, Commodity Credit Corporation makes available the commodities or products requested for disposition under title II. Such commodities or products are made available from the Corporation's stocks of commodities or products acquired under its price support program or are purchased at market prices when it is determined to be in the best interest of the Government.

The Commodity Credit Corporation is authorized to pay with respect to commodities made available the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery to U.S. ports and ocean freight charges and general average contributions arising out of ocean transport.

Seven and one-half million dollars each year may be used to buy foreign currencies accruing under title I of this act to meet costs (other than personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies) directed to community and other self-help activities designed to alleviate the causes for the need for such aid.

Through December 31, 1967, appropriations totaling \$3,700 million were authorized. No programs of assistance may be entered into after December 31, 1968, and none shall be undertaken under this title during calendar year 1968 which call for an appropriation of more than \$600 million to reimburse the Corporation for costs incurred, including its investment, plus any amount by which programs of assistance undertaken under this title in the preceding calendar year have called or will call for appropriations in amounts less than authorized during the preceding year. Proceeds from loss, damage, and other claims are applied against Commodity Credit Corporation costs to reflect a reduction in appropriation requests.

Since inception through June 30, 1967, transfer authorizations under title II have been issued for \$1,980 million worth of food, including ocean freight costs. Of this

amount \$910 million (46%) was for disaster relief of victims of floods, earthquakes, droughts, and plagues; \$181 million (9%) for refugee relief; \$17 million (1%) for other emergency assistance; \$240 million (12%) for child feeding; \$610 million (31%) for economic development; and \$22 million (1%) for voluntary agency programs. Also, \$434 million was authorized for ocean freight costs on commodities shipped through nonprofit voluntary organizations and \$3 million for purchase of title I foreign currencies for self-help activities, making total authorizations of \$2,417 million for the 13 years this program has been in effect.

The following reflects the composition of the appropriations for 1967, 1968, and 1969, adjusted for comparability (in thousands of dollars):

Item	1967 actual	1968 estimate	1969 estimate
Expenses of shipments:			
Commodity Credit Corporation stocks.....	309,511	329,000	335,500
Ocean transportation.....	71,455	95,000	105,400
Total expenses of shipments.....	380,966	424,000	440,900
Purchase of foreign currencies for use in self-help activities.....	408	1,000	1,250
Total program costs.....	381,374	425,000	442,150
Prior years' costs or funds brought or carried forward:			
1966 funds.....	-146,430	-----	-----
1967 funds placed in reserve.....	100,000	-100,000	-----
1967 costs.....	-89,456	89,456	-----
1968 funds placed in reserve.....	-----	8,000	-8,000
1968 costs.....	-----	-122,456	122,456
Financed by other funds of CCC.....	-45,488	-----	-----
Appropriation or estimate.....	200,000	300,000	556,606

The following reflects the costs incurred (in thousands of dollars):

Fiscal year	Program expenditures	Interest	Total
1955 to 1965.....	1,632,055	19,699	1,651,754
1966.....	222,519	-----	222,519
1967.....	335,886	-----	335,886
1968 (estimate).....	425,000	-----	425,000
1969 (estimate).....	442,150	-----	442,150
Cumulative totals.....	3,057,610	19,699	3,077,309
Appropriations through June 30, 1969.....	-----	-----	3,077,309

SPECIAL EXPORT PROGRAM

In addition to the Foreign assistance programs described, the Commodity Credit Corporation conducts a special export program for Bartered materials for the supplemental stockpile (7 U.S.C. 1856) and completed financing the International Wheat Agreement under this head.

INTERNATIONAL WHEAT AGREEMENT

Program and Financing (in thousands of dollars)

Identification code 05-48-2270-0-1-351	1967 actual	1968 est.	1969 est.
Financing:			
17 Recovery of prior year obligations.....	-7,511	-----	-----
23 Unobligated balance transferred to other accounts (81 Stat. 45).....	7,511	-----	-----
New obligational authority.....	-----	-----	-----

Relation of obligations to expenditures:			
70 Receipts and other offsets (items 11-17)...	-7,511	-----	-----
71 Obligations affecting expenditures....	-7,511	-----	-----
90 Expenditures.....	-7,511	-----	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	-7,511	-----	-----

The International Wheat Agreement Act expired July 31, 1965. The Commodity Credit Corporation carried out the protocol agreement under the commodity export program pursuant to its general charter authority through July 31, 1967.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

For the expenses during fiscal year 1968 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to the Act of May 28, 1956, as amended (7 U.S.C. 1856), \$23,000,000, to remain available until expended. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-48-2275-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Bartered materials for supplemental stockpile (cost—obligations) (object class 25.3).....	-----	23,000	-----
Financing:			
40 New obligational authority (appropriation).....	-----	23,000	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	-----	23,000	-----
90 Expenditures.....	-----	23,000	-----
Expenditures are distributed as follows:			
01 Out of current authorizations.....	-----	23,000	-----

Under section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile, which was established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, strategic and other materials acquired from the barter and exchange of agricultural commodities. This does not cover those acquired for the national stockpile or for other agencies on a reimbursable basis.

Appropriations are authorized for the value of the transfers based on the lower of cost or market value. The estimates reflect the shift from stockpile procurement to reimbursable offshore procurement through barter for other Government agencies.

The following shows the composition of the appropriation (in thousands of dollars):

	1967 actual	1968 estimate	1969 estimate
Materials transferred to supplemental stockpile (program costs).....	32,540	25,338	1,200
Unobligated balance brought forward..	-36,078	-3,538	-1,200
Unobligated balance carried forward...	3,538	1,200	-----
Appropriation or estimate.....	-----	23,000	-----

Federal Funds—Continued**CORPORATIONS**

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION**General and special funds:****[ADMINISTRATION] ADMINISTRATIVE AND OPERATING EXPENSES**

For administrative and operating expenses, **[\$10,208,000]** \$12,000,000. (7 U.S.C. 1501-1519; 31 U.S.C. 841, 846-852, 866-868c, 869; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-52-2707-0-1-351	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Underwriting and actuarial analysis..	1,324	1,463	1,475
2. Contract sales and servicing.....	5,974	7,608	9,095
3. Crop inspections and loss adjustments..	1,378	1,416	1,430
Total program costs, funded ¹	8,676	10,487	12,000
Change in selected resources ²	7	-----	-----
10 Total obligations.....	8,683	10,487	12,000
Financing:			
22 Unobligated balance transferred from other accounts for pay increase.....	-----	-281	-----
New obligational authority.....	8,683	10,206	12,000
New obligational authority:			
40 Appropriation.....	8,692	10,208	12,000
41 Transferred to other accounts.....	-9	-2	-----
43 Appropriation (adjusted).....	8,683	10,206	12,000
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	8,683	10,487	12,000
72 Obligated balance, start of year.....	1,686	1,736	1,843
74 Obligated balance, end of year.....	-1,736	-1,843	-1,843
90 Expenditures.....	8,632	10,380	12,000
Expenditures are distributed as follows:			
01 Out of current authorizations.....	6,948	8,646	10,159
02 Out of prior authorizations.....	1,684	1,734	1,841

¹ Includes capital outlay as follows: June 30, 1967, \$22 thousand; 1968, \$50 thousand; 1969, \$50 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$56 thousand; 1967, \$63 thousand; 1968, \$63 thousand; 1969, \$63 thousand.

This appropriation finances a major portion of the administrative and operating expenses of the Corporation under existing legislation. The budget for insurance operations financed from capital funds appears on the following pages. The increase in 1969 is to finance the costs of the 1968 pay act and to finance an additional \$1,420 thousand of administrative costs from appropriations rather than from premium income.

Object Classification (in thousands of dollars)

Identification code 05-52-2707-0-1-351	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	4,957	5,389	5,558
11.3 Positions other than permanent.....	855	1,552	2,370

11.5 Other personnel compensation.....	15	14	15
Total personnel compensation.....	5,827	6,955	7,943
12.0 Personnel benefits.....	429	494	561
21.0 Travel and transportation of persons..	887	1,240	1,570
22.0 Transportation of things.....	21	30	26
23.0 Rent, communications, and utilities...	626	628	668
24.0 Printing and reproduction.....	147	215	194
25.1 Other services.....	90	194	351
25.2 Services of other agencies.....	510	574	571
26.0 Supplies and materials.....	52	62	50
31.0 Equipment.....	89	95	66
42.0 Insurance claims and indemnities.....	5	-----	-----
99.0 Total obligations.....	8,683	10,487	12,000

Personnel Summary

Total number of permanent positions.....	673	690	685
Full-time equivalent of other positions.....	169	286	404
Average number of all employees.....	819	965	1,076
Average GS grade.....	6.7	6.8	7.1
Average GS salary.....	\$7,542	\$8,026	\$8,253

Public enterprise funds:**FEDERAL CROP INSURANCE CORPORATION FUND**

Not to exceed \$1,430,000 of administrative and operating expenses may be paid from premium income. (7 U.S.C. 1516(a); 78 Stat. 933; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-52-4085-0-3-351	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
Indemnities, by crop:			
Apples.....	234	364	362
Barley.....	397	568	990
Beans.....	472	195	281
Cherries.....	165	-----	-----
Citrus.....	483	3,360	1,696
Combined crops.....	192	1,028	429
Corn.....	3,293	6,498	8,170
Cotton.....	5,687	12,707	3,402
Flax.....	525	331	454
Grain sorghum.....	333	683	1,391
Grapes.....	-----	89	112
Oats.....	355	298	673
Peaches.....	414	778	317
Peanuts.....	163	470	734
Peas.....	1,190	385	535
Potatoes.....	679	111	202
Raisins.....	25	30	409
Rice.....	21	7	84
Safflower.....	1	-----	-----
Soybeans.....	2,319	4,602	4,270
Sugarbeets.....	159	292	747
Sugarcane.....	-----	24	274
Tobacco.....	2,367	1,893	4,207
Tomatoes.....	31	35	53
Tung nuts.....	2	7	19
Wheat.....	5,897	16,724	12,789
Total indemnities.....	25,404	51,479	42,600
Inspection and adjustment costs...	1,594	2,350	2,351
Administrative expenses.....	3,329	2,850	1,430
Other expenses and adjustments, net	291	350	378
10 Total program costs, funded—obligations.....	30,618	57,029	46,759
Financing:			
14 Receipts and reimbursements from:			
Non-Federal sources:			
Insurance premiums, by crop:			
Apples.....	-123	-366	-402
Barley.....	-950	-915	-1,100
Beans.....	-450	-305	-312
Cherries.....	-38	-----	-----

Citrus.....	-1,653	-1,636	-1,885
Combined crops.....	-469	-475	-477
Corn.....	-7,268	-8,295	-9,078
Cotton.....	-2,491	-3,533	-3,780
Flax.....	-545	-422	-504
Grain sorghum.....	-802	-1,170	-1,545
Grapes.....	-----	-89	-125
Oats.....	-596	-623	-748
Peaches.....	-430	-340	-352
Peanuts.....	-643	-720	-815
Peas.....	-442	-516	-595
Potatoes.....	-214	-139	-225
Raisins.....	-407	-411	-454
Rice.....	-54	-63	-93
Safflower.....	-1	-----	-----
Soybeans.....	-3,991	-4,221	-4,745
Sugarbeets.....	-274	-564	-830
Sugarcane.....	-----	-92	-304
Tobacco.....	-4,002	-4,202	-4,674
Tomatoes.....	-17	-45	-59
Tung nuts.....	-23	-20	-21
Wheat.....	-10,974	-14,605	-14,177
Total premiums.....	-36,857	-43,767	-47,300
Interest, other receipts, and adjustments.....	6	-----	-----
21.98 Unobligated balance available, start of year.....	-31,480	-37,713	-24,451
24.98 Unobligated balance available, end of year.....	37,713	24,451	24,992
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	30,618	57,029	46,759
70 Receipts and other offsets (items 11-17).....	-36,851	-43,767	-47,300
71 Obligations affecting expenditures.....	-6,233	13,262	-541
72.98 Receivables in excess of obligations, start of year.....	-539	-433	-2,015
74.98 Receivables in excess of obligations, end of year.....	433	2,015	3,497
90 Expenditures.....	-6,339	14,844	941
Expenditures are distributed as follows:			
01 Out of current authorizations.....	3,329	2,850	1,430
02 Out of prior authorizations.....	-9,668	11,994	-489
Cash transactions:			
93 Gross expenditures.....	28,428	56,179	46,759
94 Applicable receipts.....	-34,767	-41,335	-45,818

The Federal Crop Insurance Corporation, a wholly-owned Government Corporation, was created on February 16, 1938 (7 U.S.C. 1501-1519), to carry out the provisions of the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance, and providing the means for the research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The crop insurance programs are developed and analyzed in the Washington headquarters office and are administered in the field by four area offices and 24 State offices. Sales and servicing of contracts at the county level is performed by private agents under contractual agreements with the Corporation and by Corporation employees hired on a permanent, part-time or WAE (when actually em-

ployed) basis. Detailed insurance and accounting records are maintained by the National Service Office in Kansas City, Mo.

Budget program.—The program for fiscal year 1969 will provide crop insurance protection to more farmers amounting to approximately \$854 million on the following commodities: apples, barley, beans, citrus, combined crops, corn, cotton, flax, grain sorghum, grapes, oats, peaches, peanuts, peas, potatoes, raisins, rice, soybeans, sugarbeets, sugarcane, tobacco, tomatoes, tung nuts, and wheat.

The following table indicates the scope of the insurance operations planned for 1968 and 1969, as compared with 1967. Amounts in the 1967 column are actual and pertain to the 1966 crop year. The 1968 column pertains to the 1967 crop year, and the 1969 column pertains to the 1968 crop year.

	1967 fiscal year (1966 crop year) actual	1968 fiscal year (1967 crop year) estimate	1969 fiscal year (1968 crop year) estimate
Number of States.....	37	38	39
Number of counties.....	1,304	1,363	1,393
Insurance in force beginning of fiscal year (thousands).....	\$636,477	\$782,082	\$854,359
Insured acreage (thousands).....	15,164	18,031	19,051
Number of crops insured.....	457,341	448,900	484,000
Premiums (thousands).....	\$36,857	\$43,767	\$47,300
Indemnities (thousands).....	\$25,404	\$51,479	\$42,600
Loss ratio.....	.69	1.18	.90

Financing.—Capital stock of \$100 million is authorized to be subscribed by the United States. As of June 30, 1967, the Secretary of the Treasury held receipts for \$40 million of the authorized stock leaving \$60 million unissued.

Funds from the issuance of capital stock provide working capital for the Corporation. Receipts which are for deposit to this fund come mainly from premiums paid by farmers for crop insurance. The principal payments from this fund are for indemnities to insured farmers who suffer crop losses arising from causes against which crop insurance provides protection; the direct cost of adjusting losses; and part of the administrative and operating expenses.

The annual appropriation for the major portion of the administrative and operating expenses of the Corporation is presented earlier in the budget.

No additional capital funds are being requested since it is estimated that the Corporation's income of \$47.3 million in fiscal year 1969 will provide adequate operating funds. However, if heavy unforeseen losses occur early in the fiscal year, prior to the collection of premiums, and additional funds are necessary, the Corporation will submit a request for additional capital funds.

Operating results and financial condition.—As of June 30, 1967, the Corporation reflected a deficit of \$2.3 million, which is \$6.2 million lower than the \$8.5 million reflected as of June 30, 1966. This reduction was the result of the favorable loss experience for the 1966 crop year. The 1966 crop year loss ratio is 0.69, as compared with 1.13 for crop year 1965.

However, it is estimated that the deficit will increase in crop year 1967, since latest estimates indicate that losses will be heavier than in crop year 1966. Current indemnity estimates of \$51.5 million are expected to exceed premium income by about \$7.7 million. This estimate represents a loss ratio for crop year 1967 of 1.18 as compared with .69 for crop year 1966. During crop year 1967, the heaviest crop losses occurred on wheat, oranges, and cotton.

For the crop years 1948 through 1966, premium income of \$421.6 million exceeded indemnity costs of \$390.7 million by \$30.9 million. Premium income exceeded indemnity costs in eleven years of the nineteen year period.

Federal Funds—Continued**FEDERAL CROP INSURANCE CORPORATION—
Continued****Public enterprise funds—Continued****FEDERAL CROP INSURANCE CORPORATION FUND—Continued**

The following table summarizes the insurance operations by commodities for 1967, 1968, and 1969:

**NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS,
BY COMMODITIES**

[Fiscal years ending June 30, 1967, 1968, and 1969—in thousands of dollars]

	1967 actual (1966 crop year)	1968 estimate (1967 crop year)	1969 estimate (1968 crop year)
Apples.....	-111	2	40
Barley.....	553	347	110
Beans.....	-22	110	31
Cherries.....	-127		
Citrus.....	1,170	-1,724	189
Combined crop.....	277	-553	48
Corn.....	3,975	1,797	908
Cotton.....	-3,196	-9,174	378
Flax.....	20	91	50
Grain sorghum.....	469	487	154
Grapes.....			13
Oats.....	241	325	75
Peaches.....	16	-438	35
Peanuts.....	480	250	81
Peas.....	-748	131	60
Potatoes.....	-465	28	23
Raisins.....	382	381	45
Rice.....	33	56	9
Safflower.....			
Soybeans.....	1,672	-381	475
Sugarbeets.....	115	272	83
Sugarcane.....		68	30
Tobacco.....	1,635	2,309	467
Tomatoes.....	-14	10	6
Tung nuts.....	21	13	2
Wheat.....	5,077	-2,119	1,388
Premiums over indemnities.....	11,453	-7,712	4,700
Inspection and loss adjustment costs.....	-1,594	-2,350	-2,351
Administrative expenses charged to premium income.....	-3,329	-2,850	-1,430
Other income or expense, net.....	-297	-350	-378
Net income or loss (—).....	6,233	-13,262	541

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Revenue.....	36,851	43,767	47,300
Expense.....	30,618	57,029	46,759
Net income or loss (—) for the year.....	6,233	-13,262	541
Analysis of retained earnings:			
Retained earnings, start of year.....	-8,520	-2,287	-15,549
Retained earnings, end of year.....	-2,287	-15,549	-15,008

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	30,941	37,280	22,436	21,495
Accounts receivable, net.....	17,365	19,449	21,883	23,365
Total assets.....	48,306	56,729	44,319	44,860

Liabilities:

Accounts payable and accrued liabilities.....	607	958	953	953
Deferred credits.....	16,144	17,983	18,840	18,840
Provision for surety losses.....	75	75	75	75
Total liabilities.....	16,826	19,016	19,868	19,868
Government equity:				
Non-interest-bearing capital.....	40,000	40,000	40,000	40,000
Retained earnings.....	-8,520	-2,287	-15,549	-15,008
Total Government equity.....	31,480	37,713	24,451	24,992

Analysis of Government Equity (in thousands of dollars)

Unobligated balance (total Government equity).....	31,480	37,713	24,451	23,572
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Note.—Excludes contingent liabilities representing estimated insurance coverage on 1967, 1968, and 1969 crops in the following amounts: 1967, \$782 million; 1968, \$854 million; and 1969, \$868 million.

Object Classification (in thousands of dollars)

Identification code 05-52-4085-0-3-351	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	84	96	109
11.3 Positions other than permanent.....	955	1,468	1,465
11.5 Other personnel compensation.....	2		
Total personnel compensation.....	1,041	1,564	1,574
12.0 Personnel benefits.....	48	69	69
21.0 Travel and transportation of persons.....	505	717	708
42.0 Insurance claims and indemnities.....	25,404	51,479	42,600
92.0 Undistributed (provision for doubtful accounts and adjustments of prior year expenses).....	291	350	378
93.0 Administrative expenses (see separate schedule).....	3,329	2,850	1,430
99.0 Total obligations.....	30,618	57,029	46,759

Personnel Summary

Total number of permanent positions.....	13	14	15
Full-time equivalent of other positions.....	172	250	238
Average number of all employees.....	185	264	253
Average GS grade.....	6.7	6.8	7.1
Average GS salary.....	\$7,542	\$8,026	\$8,253

ADMINISTRATIVE EXPENSES**Program and Financing (in thousands of dollars)**

	1967 actual	1968 est.	1969 est.
Program by activities:			
Administrative expenses (costs—obligations).....	3,329	2,850	1,430
Financing:			
Unobligated balance lapsing.....	771		
Limitation.....	4,100	2,850	1,430

Object Classification (in thousands of dollars)

11.3 Personnel compensation: Positions other than permanent.....	1,216	823	
12.0 Personnel benefits.....	54	36	
21.0 Travel and transportation of persons.....	529	389	
25.1 Other services (advertising).....	146	175	175
Agents and other agreements.....	1,384	1,427	1,255
93.0 Administrative expenses included in schedule for fund as a whole.....	-3,329	-2,850	-1,430
99.0 Total obligations.....			

Personnel Summary

Full-time equivalent of other positions.....	219	139	-----
Average number of all employees.....	219	139	-----
Average GS grade.....	6.7	6.8	7.1
Average GS salary.....	\$7,542	\$8,026	\$8,253

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-52-3927-0-4-351	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Contract sales and servicing (program costs, funded—obligations) (object class 23.0).....	1	-----	-----
Financing:			
11 Receipts and reimbursements from:			
Federal funds.....	-1	-----	-----
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	1	-----	-----
70 Receipts and other offsets (items 11-17).....	-1	-----	-----
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

RURAL ELECTRIFICATION ADMINISTRATION

General and special funds:

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, and to remain available without fiscal year limitation in accordance with section 3(e) of said Act, as follows: Rural Electrification program, [\$314,000,000] \$304,000,000, and rural telephone program, [\$120,600,000] \$120,000,000. (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-56-3197-0-1-353	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Rural electrification.....	308,745	365,500	430,000
2. Rural telephone.....	103,250	105,000	120,000
Total program costs, funded.....	411,995	470,500	550,000
Change in selected resources ¹	58,989	-500	-80,000
10 Total obligations (object class 33.0).....	470,984	470,000	470,000
Financing:			
17 Recovery of prior year obligations.....	-5,809	-----	-----
21.47 Unobligated balance available, start of year.....	-85,927	-82,752	-47,352
24.47 Unobligated balance available, end of year.....	82,752	47,352	1,352
47 New obligational authority (authorization to spend public debt receipts)....	462,000	434,600	424,000

Relation of obligations to expenditures:

10 Total obligations.....	470,984	470,000	470,000
70 Receipts and other offsets (items 11-17).....	-5,809	-----	-----
71 Obligations affecting expenditures.....	465,175	470,000	470,000
72.47 Obligated balance, start of year.....	1,138,186	1,191,366	1,190,866
74.47 Obligated balance, end of year.....	-1,191,366	-1,190,866	-1,110,866
90 Expenditures.....	411,995	470,500	550,000

Expenditures are distributed as follows:

01 Out of current authorizations.....	411,995	{ 57,000	57,000
02 Out of prior authorizations.....		{ 413,500	493,000

¹ Selected resources as of June 30 are as follows: Undisbursed loan obligations, 1966, \$1,138,186 thousand (1967 adjustments, -\$5,809 thousand); 1967, \$1,191,366 thousand; 1968, \$1,190,866 thousand; 1969, \$1,110,866 thousand.

The Administration conducts two capital investment programs: (a) The rural electrification program to provide electric service to farms and other rural establishments; and (b) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making repayable loans are borrowed from the Secretary of the Treasury.

1. *Rural electrification.*—This capital investment program is financed through loans which bear 2% interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2% interest to electrification borrowers to be reloaned to their consumers for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment, including machinery.

STATUS OF THE ELECTRIFICATION PROGRAM

Program Financing

(In thousands of dollars)

Loan funds available:			
New loan authorization:	1967 actual	1968 estimate	1969 estimate
Regular.....	345,000	314,000	304,000
Reserve.....	30,000	-----	-----
Carryover from prior year.....	83,232	77,573	41,573
Rescissions of prior year loans.....	1,769	-----	-----
Total loan funds available.....	460,001	391,573	345,573
Less—			
Loans approved.....	352,428	350,000	345,000
Reserve not used.....	30,000	-----	-----
Balance to next year.....	77,573	41,573	573

Program Statistics

(Dollars in thousands)

	1967 actual	1968 estimate	1969 estimate
Cumulative net loans.....	\$6,292,885	\$6,642,885	\$6,987,885
Cumulative funds advanced.....	\$5,339,135	\$5,704,635	\$6,134,635
Unadvanced funds, end of year.....	\$953,750	\$938,250	\$853,250
Cumulative principal, repaid.....	\$1,821,270	\$1,983,270	\$2,144,270
Cumulative interest paid.....	\$870,389	\$951,389	\$1,037,389
Cumulative miles energized (thousands).....	1,597	1,616	1,637
Cumulative consumers served (thousands).....	5,763	5,913	6,063
Number of borrowers.....	1,103	1,105	1,107

2. *Rural telephone.*—This capital investment program is financed through loans which are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of the telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2% interest and must be repaid within a period not to exceed 35 years.

Federal Funds—Continued**RURAL ELECTRIFICATION ADMINISTRATION—Continued****General and special funds—Continued****LOAN AUTHORIZATIONS—Continued****STATUS OF THE TELEPHONE PROGRAM***Program Financing**[In thousands of dollars]*

Loan funds available:			
New loan authorization:	1967 actual	1968 estimate	1969 estimate
Regular	102,000	120,600	120,000
Reserve	15,000		
Carryover from prior year	2,695	5,179	5,779
Rescissions of prior year loans	4,040		
Total loan funds available	123,735	125,779	125,779
Less—			
Loans approved	118,556	120,000	125,000
Reserve not used			
Balance to next year	5,179	5,779	779

*Program Statistics**[Dollars in thousands]*

Cumulative net loans	\$1,380,557	\$1,500,557	\$1,625,557
Cumulative funds advanced	\$1,142,942	\$1,247,942	\$1,367,942
Unadvanced funds, end of year	\$237,616	\$252,615	\$257,615
Cumulative principal repaid	\$154,978	\$184,578	\$213,078
Cumulative interest paid	\$121,444	\$144,344	\$169,344
Route miles of line constructed or improved, cumulative (thousands)	415	435	455
Dial subscribers, new and improved service, cumulative (thousands) (estimate)	1,871	1,971	2,071
Number of borrowers	867	875	885

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
For the fiscal year:			
Lending operations:			
Interest revenue	87,838	92,935	99,290
Expense: Interest expense (statutory rates)	85,929	90,270	96,290
Net revenue	1,909	2,665	3,000
Administrative expenses (provided by annual appropriations): Salaries and expenses	12,369	12,811	12,944
Cumulative to end of fiscal year:			
Lending operations:			
Interest revenue	1,123,156	1,216,091	1,315,381
Expense:			
Interest expense (statutory rates)	1,052,743	1,143,013	1,239,303
Provision for possible losses on loans	9,090	9,090	9,090
Losses on foreclosed loans	44	44	44
Total expense	1,061,877	1,152,147	1,248,437
Net difference	61,279	63,944	66,944
Administrative expenses (provided by annual appropriations): Salaries and expenses	213,388	226,199	239,143

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance	34,078	94,204	10,004	10,618
Cash on hand	26	379	379	379

Loans, net	4,265,314	4,496,702	4,775,602	5,136,102
Travel advances	77	81	81	81
Accounts receivable:				
Interest receivable	136,838	131,315	120,350	109,838
Current receivables	23	15	15	15
Equipment, net	433	388	382	375
Total assets	4,436,789	4,723,084	4,906,813	5,257,408
Liabilities:				
Current	577	663	663	707
Accrued annual leave	1,373	1,399	1,399	1,399
Trust and deposit	4	5	5	5
Total liabilities	1,954	2,067	2,067	2,111
Government equity:				
Borrowings from Treasury	4,233,773	4,518,086	4,699,156	5,046,714
Appropriated administrative funds, net	200,093	212,420	225,225	238,162
Appropriated loan funds, net	142,620	142,620	142,620	142,620
Net difference between income and expense	59,370	61,279	63,944	66,944
Administrative expenses	-201,020	-213,388	-226,199	-239,143
Total Government equity	4,434,836	4,721,017	4,904,746	5,255,297

Proposed legislation would create a Rural Electrification Administration loan account for the rural electric systems, and a loan account to be supplemented by a Federal bank under the supervision of the Secretary of Agriculture for the rural telephone systems. The basic 2% loan program needs would be met from the proposed REA loan accounts. The Federal bank for the telephone program would provide a non-Federal source of financing to supplement funds appropriated for the basic 2% program. Telephone bank loans are estimated at \$50 million for 1969. Principal and interest collected on REA loans would be deposited into the new loan accounts. The loan accounts would provide funds for the regular loan programs, Federal investment in the telephone bank, and payments due Treasury on loans to the REA Administrator. Net receipts are estimated to be \$173 million in 1968 and \$172 million in 1969 for the electric program. For the telephone program net receipts are estimated to be \$32 million in 1968 and \$31 million in 1969.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742), and not to exceed \$150,000 for employment under 5 U.S.C. 3109, **[\$12,457,000] \$12,937,000.** (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-56-3100-0-1-353	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Administration of rural electrification program	6,624	7,000	7,072
2. Administration of rural telephone program	5,673	5,805	5,865
Total program costs, funded ¹	12,297	12,805	12,937
Change in selected resources ²	43		
10 Total obligations	12,340	12,805	12,937

Financing:

22	Unobligated balance transferred from other accounts for pay increases.....	-----	-----	-----
			-348	
25	Unobligated balance lapsing.....	85	-----	-----
40	New obligational authority (appropriation).....	12,426	12,457	12,937

Relation of obligations to expenditures:

71	Total obligations (affecting expenditures)	12,340	12,805	12,937
72	Obligated balance, start of year.....	492	610	583
74	Obligated balance, end of year.....	-610	-583	-630
77	Adjustments to expired accounts.....	-12	-----	-----
90	Expenditures.....	12,210	12,832	12,890

Expenditures are distributed as follows:

01	Out of current authorizations.....	12,210	12,220	12,372
02	Out of prior authorizations.....		612	518

¹ Includes capital outlay as follows: June 30, 1967, \$74 thousand; 1968, \$55 thousand; 1969, \$55 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$13 thousand (1967 adjustments: -\$12 thousand); 1967, \$43 thousand; 1968, \$15 thousand; 1969, \$15 thousand.

The Administration assists electrification borrowers and potential borrowers to negotiate for adequate supplies of power on reasonable terms, and makes loans for the extension and improvement of electric and telephone service in rural areas. Business management and technical help is furnished borrowers where needed to protect the Government's loan security, to assure that construction and operation of their systems conform to approved standards and will provide continuous and reliable service and to facilitate the most effective use of resources to achieve program objectives.

Object Classification (in thousands of dollars)

Identification code 05-56-3100-0-1-353	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	9,996	10,508	10,630
11.3 Positions other than permanent.....	40	36	37
11.5 Other personnel compensation.....	10	10	10
Total personnel compensation.....	10,046	10,554	10,677
12.0 Personnel benefits.....	752	799	808
21.0 Travel and transportation of persons.....	889	924	924
22.0 Transportation of things.....	23	32	32
23.0 Rent, communications, and utilities.....	163	174	174
24.0 Printing and reproduction.....	94	85	85
25.1 Other services.....	45	35	35
25.2 Services of other agencies.....	165	95	93
26.0 Supplies and materials.....	50	45	45
31.0 Equipment.....	107	55	55
42.0 Insurance claims and indemnities.....	8	7	9
99.0 Total obligations.....	12,340	12,805	12,937

Personnel Summary

Total number of permanent positions.....	1,015	1,024	1,024
Full-time equivalent of other positions.....	3	5	5
Average number of all employees.....	905	915	911
Average GS grade.....	10.0	10.0	10.0
Average GS salary.....	\$10,970	\$11,493	\$11,587

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-56-3997-0-4-353	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Administration of rural electrification program.....	13	12	12
2. Administration of rural telephone program.....	4	3	3
3. Office of Economic Opportunity (Funds appropriated to the President).....	15	19	19
4. Agency for International Development (Funds appropriated to the President).....	9	11	11
10 Total program costs, funded—obligations.....	41	45	45

Financing:**Receipts and reimbursements from:**

11 Federal funds.....	-37	-40	-40
14 Non-Federal sources (40 U.S.C. 481(c)).....	-4	-5	-5

New obligational authority.....

Relation of obligations to expenditures:			
10 Total obligations.....	41	45	45
70 Receipts and other offsets (items 11-17).....	-41	-45	-45
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

11.1 Personnel compensation: Permanent positions.....	33	36	36
12.0 Personnel benefits.....	2	3	3
21.0 Travel and transportation of persons.....	1	1	1
31.0 Equipment.....	4	5	5
99.0 Total obligations.....	41	45	45

Personnel Summary

Total number of permanent positions.....	2	3	3
Average number of all employees.....	2	3	3
Average GS grade.....	10.0	10.0	10.0
Average GS salary.....	\$10,970	\$11,493	\$11,587

FARMERS HOME ADMINISTRATION**General and special funds:****RURAL WATER AND WASTE DISPOSAL GRANTS**

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), **[\$30,000,000]** \$27,250,000. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-60-2066-0-1-352	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Planning grants.....	2,368	5,000	3,750

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****General and special funds—Continued****RURAL WATER AND WASTE DISPOSAL GRANTS—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-60-2066-0-1-352	1967 actual	1968 est.	1969 est.
Program by activities—Continued			
2. Development grants.....	8,779	22,000	30,000
Total program costs, funded.....	11,147	27,000	33,750
Change in selected resources ¹	14,853	1,000	-6,500
10 Total obligations (object class 41.0).....	26,000	28,000	27,250
Financing:			
25 Unobligated balance lapsing.....	-----	2,000	-----
40 New obligational authority (appropriation).....	26,000	30,000	27,250
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	26,000	28,000	27,250
72 Obligated balance, start of year.....	19,901	34,636	35,636
74 Obligated balance, end of year.....	-34,636	-35,636	-29,136
77 Adjustment in expired accounts.....	-118	-----	-----
90 Expenditures.....	11,147	27,000	33,750
Expenditures are distributed as follows:			
01 Out of current authorizations.....	3,624	6,660	11,410
02 Out of prior authorizations.....	7,523	20,340	22,340

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$19,901 thousand (1967 adjustment, -\$118 thousand); 1967, \$34,636 thousand; 1968, \$35,636 thousand; 1969, \$29,136 thousand.

This program was authorized by Public Law 89-240, approved October 7, 1965, which amended subtitle A of the Consolidated Farmers Home Administration Act of 1961. It provides for planning grants to be made to public and private bodies with authority to prepare comprehensive plans for the development of water or sewer systems in rural areas which do not have funds available for such planning. In addition, development grants are made to associations, including nonprofit corporations and public and quasi-public agencies, to finance specific projects for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of the grant may not exceed 50% of the development cost of the project.

Development grants to associations may be made in connection with direct or insured loans for water and sewer systems described under the Farmers Home Administration direct loan account.

	1967 actual	1968 estimate	1969 estimate
Planning grants:			
Number of grants.....	389	500	575
Amount of grants (thousands of dollars).....	\$3,491	\$5,000	\$3,750
Development grants:			
Number of grants.....	330	360	399
Amount of grants (thousands of dollars).....	\$22,509	\$23,000	\$23,500

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C.

1010, 1011(e)), \$1,600,000, to remain available until expended. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-60-2003-0-1-352	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Loans for rural renewal and demonstration projects.....	842	1,500	1,090
2. Technical assistance and operating expenses.....	196	300	300
Total program costs, funded.....	1,038	1,800	1,390
Change in selected resources ¹	325	-117	210
10 Total obligations.....	1,363	1,683	1,600
Financing:			
21 Unobligated balance available, start of year.....	-246	-83	-----
24 Unobligated balance available, end of year.....	83	-----	-----
40 New obligational authority (appropriation).....	1,200	1,600	1,600
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	1,363	1,683	1,600
72 Obligated balance, start of year.....	913	1,215	1,098
74 Obligated balance, end of year.....	-1,215	-1,098	-1,308
90 Expenditures.....	1,061	1,800	1,390
Expenditures are distributed as follows:			
01 Out of current authorizations.....	1,061	800	300
02 Out of prior authorizations.....		1,000	1,090

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$882 thousand; 1967, \$1,207 thousand; 1968, \$1,090 thousand; 1969, \$1,300 thousand.

Rural renewal.—This program was authorized by section 102 of the Food and Agriculture Act of 1962. Loans are made to local public agencies and private nonprofit organizations for rural renewal development projects which are specifically related to conservation and land utilization. Each project will be an important component of the overall rural renewal plan previously developed to rebuild the economy of the designated area. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities. The area must also be one in which agriculture or forestry contribute substantially to the economy. The 1969 request is to provide for continuation of program operations in designated project areas.

Program operations include selection and designation of rural renewal areas, technical assistance to local public bodies or officials, or private nonprofit organizations in the preparation of an economic development plan, and counsel to local agencies and organizations for meeting legal requirements necessary for borrowing funds. The borrowing agency is designated by the State legislature or Governor to receive rural renewal loan funds and is vested with authority under State and local laws to borrow funds, buy and sell property, raise revenue, meet financial obligations and transact other necessary business functions.

Rural renewal loans are repayable in not more than 30 years with repayment of principal and interest deferred up to 5 years, if necessary. Loans bear interest at the average rate paid by the U.S. Treasury on obligations of similar maturity. The rate for 1968 is 3.253%.

Program administration.—The Farmers Home Administration has been assigned responsibility for the coordination, direction, and supervision of the rural renewal

program. The principal administrative expenses are related to technical assistance, coordination of project plans, and loan programs by the Farmers Home Administration. These expenses are estimated at \$272 thousand in 1968 and 1969. Administrative expenses allotted to the Economic Research Service will be \$28 thousand for 1968 and 1969.

Object Classification (in thousands of dollars)

Identification code 05-60-2003-0-1-352	1967 actual	1968 est.	1969 est.
FARMERS HOME ADMINISTRATION			
11.1 Personnel compensation: Permanent positions.....	169	221	221
12.0 Personnel benefits.....	13	17	17
21.0 Travel and transportation of persons.....	7	18	18
22.0 Transportation of things.....	-----	1	1
23.0 Rent, communications, and utilities.....	-----	10	10
24.0 Printing and reproduction.....	-----	1	1
25.1 Other services.....	1	3	3
26.0 Supplies and materials.....	-----	1	1
33.0 Investments and loans.....	1,167	1,383	1,300
96.0 Portion of foregoing obligations originally charged to object class 25.1.....	-22	-----	-----
Total obligations, Farmers Home Administration.....	1,335	1,655	1,572
ALLOTMENT TO ECONOMIC RESEARCH SERVICE			
11.1 Personnel compensation: Permanent positions.....	24	24	24
12.0 Personnel benefits.....	2	2	2
21.0 Travel and transportation of persons.....	1	1	1
24.0 Printing and reproduction.....	1	1	1
Total obligations, Economic Research Service.....	28	28	28
99.0 Total obligations.....	1,363	1,683	1,600

Personnel Summary

FARMERS HOME ADMINISTRATION			
Total number of permanent positions.....	18	25	25
Average number of all employees.....	18	25	25
Average GS grade.....	7.0	7.1	7.2
Average GS salary.....	\$7,536	\$7,903	\$7,945
ALLOTMENT TO ECONOMIC RESEARCH SERVICE			
Total number of permanent positions.....	3	3	3
Average number of all employees.....	3	3	3
Average GS grade.....	8.8	9.1	9.1
Average GS salary.....	\$9,389	\$10,185	\$10,257

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), [\$3,500,000] \$5,000,000, to remain available until expended. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-60-2004-0-1-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Financial assistance for low-rent domestic farm labor housing (program costs, funded).....	220	3,800	5,000
Change in selected resources ¹	2,458	165	700
10 Total obligations (object class 41.0).....	2,678	3,965	5,700

Financing:

21 Unobligated balance available, start of year	-844	-1,165	-700
24 Unobligated balance available, end of year	1,165	700	-----
40 New obligational authority (appropriation).....	3,000	3,500	5,000
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	2,678	3,965	5,700
72 Obligated balance, start of year.....	2,156	4,615	4,780
74 Obligated balance, end of year.....	-4,615	-4,780	-5,480
90 Expenditures.....	220	3,800	5,000

Expenditures are distributed as follows:

01 Out of current authorizations.....	220	-----	1,000
02 Out of prior authorizations.....	-----	3,800	4,000

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$2,156 thousand; 1967, \$4,615 thousand; 1968, \$4,780 thousand; 1969, \$5,480 thousand.

Financial assistance in the form of grants is provided to public or private nonprofit organizations for low-rent housing and related facilities for domestic farm labor as authorized by the Housing Act of 1964.

Assistance not to exceed two-thirds of the total development cost may be provided for new structures and sites, and for the rehabilitation, alteration, conversion or improvement of dwellings, dining halls, community rooms or buildings, and infirmaries used by domestic farm laborers. Such financial assistance may be made in connection with insured farm labor housing loans under the Rural Housing Insurance Fund.

	1967 actual	1968 estimate	1969 estimate
Rural housing grants for domestic farm labor:			
Number of grants.....	5	26	38
Amount of grants (thousands of dollars).....	\$2,678	\$3,965	\$5,700

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921-1990), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); [\$55,988,000] \$59,132,000, together with not more than \$2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b) (3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742) to meet unusual or heavy workload increases: *Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-60-2001-0-1-352	1967 actual	1968 est.	1969 est.	
Program by activities:				
Administration of grant and direct and insured loan programs (program costs, funded) ¹	53,575	61,912	61,882	
Change in selected resources ²	37	-1,521	-----	
10 Total obligations.....	53,611	60,391	61,882	
¹ Includes capital outlay as follows: 1967, \$1,645 thousand; 1968, \$1,500 thousand.				
² Selected resources as of June 30 are as follows:				
	1966	1967	1968	1969
Stores.....	171	162	162	162
Unpaid undelivered orders.....	1,592	27	1,665	144
Total selected resources.....	1,763	27	1,827	306

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-60-2001-0-1-352	1967 actual	1968 est.	1969 est.
Financing:			
11 Receipts and reimbursements from: Federal funds:			
Advanced from the "Agricultural credit insurance fund".....	-775	-2,250	-2,250
Advanced from "Loans, Farmers Home Administration, 1957-1966".....	-500	-500	-500
22 Unobligated balance transferred from other accounts.....	-846	-----	-----
Proposed transfer of unobligated balances from other accounts for increased pay costs.....	-----	-1,700	-----
25 Unobligated balance lapsing.....	52	-----	-----
New obligational authority.....	51,542	55,941	59,132
New obligational authority:			
40 Appropriation.....	51,611	55,988	59,132
41 Transferred to other accounts.....	-69	-47	-----
43 Appropriation (adjusted).....	51,542	55,941	59,132
Relation of obligations to expenditures:			
10 Total obligations.....	53,611	60,391	61,882
70 Receipts and other offsets (items 11-17).....	-1,275	-2,750	-2,750
71 Obligations affecting expenditures.....	52,336	57,641	59,132
72 Obligated balance, start of year.....	4,142	4,348	3,025
74 Obligated balance, end of year.....	-4,348	-3,025	-3,710
77 Adjustment in expired accounts.....	37	-----	-----
90 Expenditures.....	52,167	58,964	58,447
Expenditures are distributed as follows:			
01 Out of current authorizations.....	52,167	55,616	55,422
02 Out of prior authorizations.....		3,348	3,025

These moneys are used to administer the loan and grant programs of the Farmers Home Administration including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Object Classification (in thousands of dollars)

Identification code 05-60-2001-0-1-352	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	40,485	46,511	47,695
11.3 Positions other than permanent.....	1,738	1,800	1,800
11.5 Other personnel compensation.....	245	260	260
Total personnel compensation.....	42,468	48,571	49,755
12.0 Personnel benefits.....	3,379	3,890	4,027
21.0 Travel and transportation of persons.....	3,597	3,850	3,900
22.0 Transportation of things.....	168	190	190
23.0 Rent, communications, and utilities.....	2,432	2,420	2,540
24.0 Printing and reproduction.....	286	240	240
25.1 Other services.....	784	700	700
26.0 Supplies and materials.....	239	240	240
31.0 Equipment.....	253	290	290
42.0 Insurance claims and indemnities.....	5	-----	-----
99.0 Total obligations.....	53,611	60,391	61,882

Personnel Summary

Total number of permanent positions.....	5,921	6,350	6,375
Full-time equivalent of other positions.....	616	620	600
Average number of all employees.....	6,109	6,600	6,680
Average GS grade.....	7.0	7.1	7.2
Average GS salary.....	\$7,536	\$7,903	\$7,945

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:

Agriculture:
 Soil Conservation Service:
 "Watershed protection."
 "Flood prevention."
 "Resource conservation and development projects."
Funds appropriated to the President:
 "Economic Opportunity Program," "Southeast hurricane disaster."
 "Appalachian Regional Development Programs."

Public enterprise funds:**DIRECT LOAN ACCOUNT AND RURAL HOUSING DIRECT LOAN ACCOUNT****PARTICIPATION SALES AUTHORIZATION**

The Federal National Mortgage Association, as trustee, is hereby authorized to issue beneficial interests or participations in such loan assets of the Farmers Home Administration Direct Loan Account and Rural Housing Direct Loan Account as may be placed in trust with such Association in accordance with section 302(c) of the Federal National Mortgage Association Charter Act, as amended, for the account of the Farmers Home Administration of the Department of Agriculture, in addition to amounts heretofore authorized, in an aggregate principal amount not to exceed **[\$750,000,000]** \$425,000,000: *Provided*, That this authorization shall remain available until June 30, [1969] 1970.

PAYMENT OF SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the trustee on account of outstanding beneficial interests or participations in the Farmers Home Administration Direct Loan Account or Rural Housing Direct Loan Account assets authorized by this Act or the Department of Agriculture and Related Agencies Appropriation Act, 1968, to be issued pursuant to said section 302(c), **[\$13,268,000]** such sums as may be necessary, to remain available without fiscal year limitation. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-60-2050-0-3-352	1967 actual	1968 est.	1969 est.
Financing:			
21 Unobligated balance available, start of year.....	-----	-----	-13,268
24 Unobligated balance available, end of year.....	-----	13,268	13,268
40 New obligational authority (appropriation).....	-----	13,268	-----

Payment of sales insufficiencies.—This appropriation was made to cover payment of sales insufficiencies as related to sales of participation certificates to be made in fiscal year 1968.

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, **[\$110,000,000]** \$83,000,000; and operating loans, **[\$300,000,000]** \$250,000,000. (Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-60-4220-0-3-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
Interest on borrowings.....	16,104	950	100

	Interest on participation certificates	5,897	35,217	71,402
	Commission sales of participation certificates	1,040	998	475
	Costs incident to security for loans	20	-----	-----
	Provision for losses on current receivables	2,711	2,820	2,510
	Total operating costs, funded	25,772	39,985	74,487
	Capital outlay, funded:			
	Real estate loans:			
	Farm ownership loans	5,416	5,000	5,000
	Soil and water loans	36,743	85,771	79,000
	Total real estate loans	42,159	90,771	84,000
	Operating loans	298,764	275,000	250,000
	Watershed protection loans	-----	1,800	4,806
	Flood prevention loans	-----	-----	600
	Resource conservation and development loans	-----	1,478	705
	Judgments and collateral acquired	170	110	105
	Total capital outlay, funded	341,093	369,159	340,216
	Total program costs, funded	366,865	409,144	414,703
	Change in selected resources ¹	48,706	5,390	-2,211
10	Total obligations	415,571	414,534	412,492
	Financing:			
	Receipts and reimbursements from:			
11	Federal funds: Investment income from participation sales fund	-196	-5,000	-11,552
14	Non-Federal sources:			
	Repayments on loans	-296,014	-307,000	-305,473
	Acquired property	-227	-225	-225
	Payment of judgments	-180	-250	-250
	Interest income	-55,249	-59,450	-71,648
	Other revenue	-25	-60	-70
	Unobligated balance available, start of year:			
21.98	Fund balance	-140,485	-531,366	-850,114
21.47	Undrawn authorization to spend agency debt receipts	-----	-----	-75,000
23	Unobligated balance transferred to other accounts	33,440	163,703	205,455
	Unobligated balance available, end of year:			
24.93	Fund balance	531,366	850,114	871,385
24.47	Undrawn authorization to spend agency debt receipts	-----	75,000	-----
48	New obligational authority (authorization to spend agency debt receipts)	488,000	600,000	175,000
	Relation of obligations to expenditures:			
10	Total obligations	415,571	414,534	412,492
70	Receipts and other offsets (items 11-17)	-351,892	-371,985	-389,218
71	Obligations affecting expenditures	63,679	42,549	23,274
72	Obligated balance, start of year:			
	Obligated balance	-----	34,991	30,125
	Receivables in excess of obligations	-25,145	-----	-----
74	Obligated balance, end of year	-34,991	-30,125	-38,004
90	Expenditures	3,543	47,415	15,395
	Expenditures are distributed as follows:			
01	Out of current authorizations	3,543	47,415	15,395
	Cash transactions:			
93	Gross expenditures	352,462	412,875	400,241
94	Applicable receipts	-348,919	-365,460	-384,846

¹ Balance of selected resources are identified on the statement of financial condition.

Farmers Home Administration direct loan account.—This account was established on October 16, 1961, pursuant to section 338(c) of the Consolidated Farmers Home Administration Act of 1961. Real estate and oper-

ating loans are made under the authorities of subtitles A and B of the Act to farmers and ranchers and to associations unable to obtain credit from other sources at reasonable rates. The appropriation act for 1968 provided for making watershed protection loans, flood prevention loans, and resource conservation and development loans from funds available in the Direct loan account. Loans made under these and similar prior authorities are reported and accounted for in this account. In 1968, the total for loans reflected in the following schedules is \$374.4 million. In 1969, the total for these loans is \$337.9 million. It is proposed to carry out the estimated loan program through utilization of receipts to the Direct loan account representing collections on loans outstanding and through the sale of assets under the Participation Sales Act of 1966. No new borrowing authorization is estimated for 1969.

In addition to the direct loans, farm ownership loans, soil and water loans to individuals and association loans advanced by private lenders will be insured within the annual statutory insurance authority of \$450 million for these purposes. Contingent liabilities for these insured loans are reflected in the Agricultural credit insurance fund schedules.

1. *Real estate loans.*—(a) *Farm ownership loans.*—Direct and insured loans are made to farmers and ranchers for acquiring, enlarging or improving farms, including farm buildings; for financing land and water development, use and conservation including recreational uses and facilities; for forestry development; for refinancing existing indebtedness; and for loan closing costs. Loans are confined to farms which are not-larger-than-family farms. A loan cannot exceed \$60 thousand in any case. In addition, the indebtedness against a farm or other security, including the amount of the loan, cannot exceed \$60 thousand or the normal value of the farm and any additional security.

FARM OWNERSHIP LOANS

[Dollars in thousands]

	1967 actual		1968 estimate		1969 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications	35,947	-----	50,000	-----	60,000	-----
Direct loans	364	\$5,000	450	\$5,000	450	\$5,000
Insured loans	13,623	255,000	11,000	200,000	15,050	275,000

(b) *Soil and water loans to individuals and association loans.*—Direct and insured loans are made to farmers, ranchers and nonoperator owners for land and water development, use and conservation. Direct and insured loans are made to public and nonprofit associations for the effective development and utilization of water supplies and waste disposal systems and for the improvement of farmland by soil and water conserving facilities and practices. Loans to associations also are made for shifts in land use, the development of recreational facilities, and for irrigation and grazing development. Direct land conservation and development loans to individuals are made in the Appalachian region to establish and carry out land stabilization, conservation, and erosion control practices. There is no limitation on the size of farms that may be improved with loans to individual farmers. For loans to individuals, the indebtedness against a farm or other security, including the amount of the loan, cannot exceed \$60 thousand or the normal value of the farm and any additional security. For loans to associations, the unpaid principal indebtedness, together with the amount of any grant assistance, is limited to \$4 million. Loans to associations are limited to rural areas which include

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****Public enterprise funds—Continued****DIRECT LOAN ACCOUNT—Continued**

towns, villages, and other rural places with a population up to 5,500 inhabitants.

SOIL AND WATER AND LAND CONSERVATION AND DEVELOPMENT (APPALACHIA) LOANS TO INDIVIDUALS AND ASSOCIATION LOANS

[Dollars in thousands]

	1967 actual		1968 estimate		1969 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	5,218		10,000		20,000	
Direct loans:						
To individuals.....	339	\$1,000	350	\$1,000	1,200	\$3,000
To individuals (Appalachia).....	100	84	6,900	6,939		
To associations:						
Irrigation and grazing.....	5	200				
Water systems.....	396	56,936	360	50,000	315	37,500
Sewer systems.....	137	26,264	171	30,000	215	37,500
Recreation facilities.....	5	595				
Insured loans:						
To individuals.....	494	2,535	1,000	5,000		
To associations:						
Irrigation and grazing.....	96	19,631	280	42,000	200	30,000
Water systems.....	512	82,393	300	45,000	225	30,000
Sewer systems.....	53	9,580	22	5,000	133	30,000
Recreation facilities.....	206	27,377	200	30,000	200	30,000

Farm ownership, soil and water, and land conservation and development loans to individuals and association loans are repayable in not more than 40 years and bear interest not in excess of 5%. Insured loans are made through the Agricultural credit insurance fund with funds advanced by private lenders. Annual payments of principal and interest to lenders are fully guaranteed. The Administration services these insured loans, makes collections, and pays the lender.

2. *Operating loans.*—Direct loans are made to farmers and ranchers for paying costs incident to reorganizing a farming system for more profitable operations; for a variety of essential farm operating expenses such as the purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for financing land and water development, use and conservation including recreational uses and facilities; for refinancing indebtedness; for other farm and home needs; and for loan closing costs. Loans are confined to operators of not-larger-than-family farms. The outstanding principal loan balance for operating loans to any individual is limited to \$35 thousand. Loans bear interest at 5% and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years. Loans are secured by crop and chattel liens and, when necessary, by real estate mortgages.

FARM OPERATING LOANS

	1967 actual	1968 estimate	1969 estimate
Number of applications.....	86,340	100,000	110,000
Number of loans.....	64,899	57,000	51,800
Amount of loans (in thousands of dollars).....	300,000	275,000	250,000

3. *Watershed protection loans.*—Direct loans are made to local sponsoring organizations to help finance their share of the cost of installing planned works of improvement in approved watershed projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available.

WATERSHED PROTECTION LOANS

	1967 actual	1968 estimate	1969 estimate
Number of applications.....	72	80	100
Number of loans.....	25	19	18
Amount of loans (in thousands of dollars).....	5,551	4,800	3,000

4. *Flood prevention loans.*—Direct loans are made to local sponsoring organizations to help finance their share of the cost of installing planned works of improvement in approved flood prevention projects. Repayment with interest is required within 50 years after the principal benefits of improvements first become available.

FLOOD PREVENTION LOANS

	1967 actual	1968 estimate	1969 estimate
Number of applications.....	4	12	12
Number of loans.....	3	2	4
Amount of loans (in thousands of dollars).....	484	200	400

5. *Resource conservation and development loans.*—Direct loans are made to local sponsoring organizations and to individuals, when needed, to help finance their share of the cost of installing planned works of improvement in approved resource conservation and development projects. Loans are repayable in not more than 30 years, with repayment of principal and interest deferred up to 5 years, if necessary.

RESOURCE CONSERVATION AND DEVELOPMENT LOANS

	1967 actual	1968 estimate	1969 estimate
Number of applications.....	23	50	75
Number of loans.....	9	15	15
Amount of loans (in thousands of dollars).....	990	1,500	1,500

The new obligational authority required for Insufficiencies is computed as follows (in thousands of dollars):

	1967 actual	1968 estimate	1969 estimate
Interest accrued on participation certificates.....	5,897	35,217	71,402
Interest accrued on an equal amount of loans in the pool.....	—5,447	—30,820	—58,020
Insufficiency.....	450	4,397	13,382
Financed by:			
Investment income from participation sales fund.....	—196	—5,000	—11,552
Retained earnings reserved to meet insufficiencies.....	—254	603	—1,830
New obligational authority required.....			

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Operating program:			
Revenue.....	55,274	59,510	71,718
Investment income from participation sales fund.....	196	5,000	11,552
Gross operating income.....	55,470	64,510	83,270
Expense:			
Operating expense.....	31,342	21,449	9,084
Interest on participation certificates.....	5,897	35,217	71,402
Commission on sale of participation certificates.....	1,040	998	475
Total expense.....	38,279	57,664	80,961
Net operating income.....	17,191	6,846	2,309
Nonoperating income or loss:			
Proceeds from sale of acquired property:			
Cash.....	227	225	225
Loans receivable.....	299		
Total proceeds from sale.....	526	225	225

Net book value of assets sold.....	436	175	175
Nonoperating loss or gain.....	90	50	50
Net income for year.....	17,281	6,896	2,359
Analysis of retained earnings:			
Retained earnings, start of year.....	84,392	101,673	108,569
Retained earnings, end of year.....	101,673	108,569	110,928
Reserved for insufficiencies on participation certificates.....	42,804	71,808	75,408
Unreserved.....	58,869	36,761	35,520

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	115,340	566,357	630,239	659,389
Investment in Treasury notes.....			250,000	250,000
Accounts receivable, net.....	39,285	42,258	48,783	53,155
Loans receivable, net.....	1,010,910	1,049,415	1,101,831	1,133,302
Property acquired through foreclosure.....	473	571	621	571
Land and improvements.....	38	35	35	35
Judgments, net.....	632	647	665	672
Total assets.....	1,166,678	1,659,283	2,032,174	2,097,124
Liabilities:				
Current.....		14,403	10,672	25,134
Participation certificates outstanding.....		488,000	1,013,000	1,101,000
Less: Principal transferred to trustee.....		-33,440	-197,143	-240,598
Government Equity:				
Interest-bearing capital.....	597,959	597,960	597,960	597,960
Non-interest-bearing capital:				
Capitalization of assets, net:				
Start of year.....	456,079	477,226	483,587	492,016
Capitalized assets from FHA—Other.....	21,147	6,361	8,429	3,584
End of year.....	477,226	483,587	492,016	495,600
Appropriations.....	7,100	7,100	7,100	7,100
Retained earnings:				
Reserved to cover insufficiencies on participation certificates.....		42,804	71,808	75,408
Unreserved.....	84,392	58,869	36,761	35,520
Total Government equity.....	1,166,677	1,190,320	1,205,645	1,211,588

Analysis of Government Equity (in thousands of dollars)

Undisbursed loan obligations ¹	14,126	62,843	68,233	66,022
Undisbursed obligations to pay costs chargeable to borrowers ¹	14	3	3	3
Unobligated balance.....	140,485	531,366	850,114	871,385
Participation certificates outstanding less principal collections held by trustee.....		-454,560	-815,857	-860,402
Invested capital and earnings.....	1,012,053	1,050,667	1,103,152	1,134,580
Total Government equity.....	1,166,678	1,190,320	1,205,645	1,211,588

¹ The changes in these items are reflected on the program and financing schedule

Object Classification (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Identification code 05-60-4220-0-3-352			
25.1 Other services (Commissions).....	1,040	998	475
33.0 Investments and loans.....	392,530	377,369	340,515
43.0 Interest and dividends.....	16,104	950	100
Interest on participation certificates.....	5,897	35,217	71,402
99.0 Total obligations.....	415,571	414,534	412,492

RURAL HOUSING DIRECT LOAN ACCOUNT

For direct loans and related advances pursuant to section 518(d) of the Housing Act of 1949 (42 U.S.C. 1488), **[\$15,000,000]** \$30,-000,000 shall be available from funds in the rural housing direct loan account. (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-60-4221-0-3-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
Administrative expense.....	500	500	500
Interest on borrowings.....	21,266	13,750	7,500
Interest on participation certificates.....	717	9,883	17,898
Commissions on sales of participation certificates.....	170	285	475
Costs incident to security for loans.....	6		
Rural housing contributions.....	4		
Provisions for losses on current receivables.....	7	10	15
Total operating costs, funded.....	22,670	24,428	26,388
Capital outlay, funded:			
Building loans.....	12,937	10,000	25,000
Rural rental housing loans.....	2,860	5,000	5,000
Judgments and collateral acquired.....	17	1	2
Total capital outlay, funded.....	15,814	15,001	30,002
Total program costs, funded.....	38,484	39,429	56,390
Change in selected resources ¹	-2,113		
10 Total obligations.....	36,371	39,429	56,390
Financing:			
Receipts and reimbursements from:			
11 Federal funds: Investment income from participation sales funds.....	-2	-200	-700
14 Non-Federal sources:			
Repayments on loans.....	-45,083	-43,000	-41,000
Payment of judgments.....	-5	-5	-10
Proceeds from sale of acquired property.....	-71	-50	-50
Interest income.....	-26,771	-25,500	-24,500
Other revenue.....	-3	-3	-4
21.98 Unobligated balance available, start of year: Fund balance.....	-119,732	-264,963	-431,627
23.98 Unobligated balance transferred to other accounts.....	2,333	12,665	22,400
24.98 Unobligated balance available, end of year: Fund balance.....	264,963	431,627	669,101
48 New obligational authority (authorization to spend agency debt receipts).....	112,000	150,000	250,000
Relation of obligations to expenditures:			
10 Total obligations.....	36,371	39,429	56,390
70 Receipts and other offsets (items 11-17).....	-71,935	-68,758	-66,264
71 Obligations affecting expenditures.....	-35,564	-29,329	-9,874
72.98 Receivables in excess of obligations, start of year.....	-2,238	-3,334	-1,441
74.98 Receivables in excess of obligations, end of year.....	3,334	1,441	
Obligated balance.....			-2,173
90 Expenditures.....	-34,469	-31,222	-13,488
Expenditures are distributed as follows:			
01 Out of current authorizations.....	-34,469	-31,222	-13,488
Cash transactions:			
93 Gross expenditures.....	37,532	37,246	52,492
94 Applicable receipts.....	-72,001	-68,468	-65,980

¹ Balances of selected resources are identified on the statement of financial condition (analysis of Government equity).

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****Public enterprise funds—Continued****RURAL HOUSING DIRECT LOAN ACCOUNT—Continued**

Rural housing direct loan account.—This account was established in 1965 pursuant to section 518 of title V of the Housing Act of 1949, as amended. Rural housing direct loans are made on farms, in the open country, and in towns of not more than 5,500 population that are rural in character. In the case of applicants who are deficient in repayment ability, cosigners on promissory notes are permitted. Rural housing direct loans are also made to private nonprofit corporations and consumer cooperatives to provide modest cost rental or cooperative housing and related facilities for elderly persons of low or moderate income or other persons of low income in rural areas. Loans are made only to applicants unable to obtain housing credit from other sources upon terms and conditions which they reasonably could be expected to repay. Direct loans to individuals are repayable in not more than 33 years and bear interest at a rate not to exceed 5%. Direct loans for rural rental housing are repayable in not more than 50 years and bear interest comparable to housing loans for the elderly in urban areas (currently 3%). In connection with direct loans to individuals, refinancing of prior indebtedness is permitted under certain circumstances.

In addition to direct loans, building loans to individuals, farm labor housing loans, and rural rental housing loans advanced by private lenders will be insured. Contingent liabilities for these insured loans are reflected in the rural housing insurance fund schedules.

1. *Loans to the elderly.*—Direct building loans, when a cosigner on the promissory note is required, are made to senior citizens (62 years of age or over) to build or repair their homes or to buy a home and building site.

2. *Rural rental housing loans.*—Direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental or cooperative housing and related facilities for elderly persons in rural areas with low or moderate income or other persons with low income in rural areas.

3. *Self-help housing projects.*—Direct building loans are made to individual low-income families, when a cosigner on the promissory note is required, to enable them to participate in a mutual self-help housing project. These loans are especially designed to help families who do not have enough income to build modest homes by customary methods to work together to build modest homes of their own. These low-income families cut construction costs by supplying most of the labor needed in the construction of their homes.

4. *Building loans.*—Direct building loans which are too small to be made on an insured basis are made to farm owners, to owners of other real estate in rural areas, to long-term farm leaseholders and to other rural residents to construct, repair, or replace dwellings and essential farm-service buildings. Loans may include funds to buy a house, building site, and to buy farm service buildings.

5. *Natural disaster loans.*—Direct loans are made at 3% interest to the same persons eligible for building loans to provide for repair or replacement of farm or rural dwellings, farm-service buildings and related facilities damaged by a natural disaster.

6. *Low-income housing loans.*—Direct repair and improvement loans not in excess of \$1,500 are made to owners of farms or nonfarm rural property to repair or improve their dwellings in order to make them safe and sanitary and to remove health hazards to the families and the community.

	[Dollars in thousands]					
	1967 actual		1968 estimate		1969 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	108,808	-----	200,000	-----	300,000	-----
Direct loans:						
Building loans—						
elderly.....	873	\$4,670	920	\$3,900	540	\$2,000
Rural rental housing loans.....	44	3,824	50	5,000	56	5,000
Self-help housing loans.....	226	1,611	140	1,000	140	1,000
Building loans—regular.....	405	402	600	500	600	500
Natural disaster loans.....	92	1,162	200	1,500	290	3,500
Low-income housing loans.....	3,026	2,605	3,650	3,100	21,000	18,000
Total, direct..	4,666	14,274	5,560	15,000	22,626	30,000
Insured loans:						
Farm labor housing loans.....	26	3,818	150	15,000	150	15,000
Rural rental housing loans.....	67	1,666	455	11,200	830	20,000
Low-to-moderate income building loans (individuals).....	40,067	372,019	47,000	413,800	46,000	400,000
Other than low-to-moderate income building loans (individuals)....	3,748	47,664	4,000	50,000	3,400	40,000
Total, insured.	43,908	425,167	51,605	490,000	50,380	475,000

The new obligational authority required for "Insufficiencies" is computed as follows:

	[In thousands of dollars]		
	1967 actual	1968 estimate	1969 estimate
Interest accrued on participation certificates.....	717	9,883	17,898
Interest accrued on an equal amount of loans in the pool.....	—552	—7,500	—13,480
Insufficiency.....	166	2,383	4,418
Financed by:			
Investment income from participation sales fund.....	—2	—200	—700
Retained earnings reserved to meet insufficiencies.....	—164	—2,183	—3,718
New obligational authority required.....	-----	-----	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Operating program:			
Revenue.....	26,774	25,503	24,504
Investment income from participation sales fund.....	2	200	700
Cross operating income.....	26,776	25,703	25,204
Expense:			
Operating expense.....	21,859	14,329	8,155

Commission on sales of participation certificates.....	170	285	475
Interest on participation certificates.....	717	9,883	17,898
Total expense.....	22,746	24,497	26,528
Net operating income or loss (—).....	4,030	1,206	—1,324
Nonoperating income or loss:			
Proceeds from sale of acquired property:			
Cash.....	71	50	50
Loans receivable.....	72	100	50
Total proceeds from sale.....	143	150	100
Net book value of assets sold.....	—133	—140	—90
Nonoperating loss or gain.....	10	10	10
Net income or loss (—) for year.....	4,040	1,216	—1,314
Analysis of retained earnings:			
Retained earnings, start of year:			
Reserved for insufficiencies of interest on participation certificates.....		770	3,461
Unreserved.....	3,535	6,805	5,330
Total.....	3,535	7,575	8,791
Retained earnings, end of year:			
Reserved for insufficiencies of interest on participation certificates.....	770	3,461	7,261
Unreserved.....	6,805	5,330	216
Total.....	7,575	8,791	7,477

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	117,493	261,629	430,186	671,274
Accounts receivable, net.....	6,945	6,879	7,169	7,453
Loans receivable, net.....	680,378	650,944	622,871	611,671
Acquired security or collateral.....	147	170	130	140
Judgments, net.....	5	5	5	7
Total assets.....	804,967	919,627	1,060,361	1,290,545
Liabilities:				
Current.....		952	3,135	7,033
Participation certificates outstanding.....		112,000	262,000	494,000
Less: Principal transferred to trustee.....		—2,333	—14,998	—19,398
Government equity:				
Interest-bearing capital:				
Start of year.....		663,428	663,428	663,428
Outstanding borrowings from Treasury, net assumed at inception of revolving fund.....	550,718			
Borrowings from Treasury..	112,710			
End of year.....	663,428	663,428	663,428	663,428
Non-interest bearing capital:				
Start of year.....		138,005	138,005	138,005
Appropriations enacted.....	2,500			
Net assets assumed at inception of revolving fund.....	135,505			
End of year.....	138,005	138,005	138,005	138,005
Retained earnings, start of year:				
Reserved to cover insufficiencies on participation certificates.....			770	3,461
Unreserved.....	6,295	3,535	6,805	5,330
Total.....	6,295	3,535	7,575	8,791
Net income or loss (—).....	4,016	4,040	1,216	—1,314
Less: Net assets assumed at inception of revolving fund.....	—6,776			

Retained earnings, end of year:				
Reserved to cover insufficiencies on participation certificates.....		770	3,461	7,261
Unreserved.....	3,535	6,805	5,330	216
Total.....	3,535	7,575	8,791	7,477
Total Government equity..	804,967	809,008	810,224	808,910

Analysis of Government Equity (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Undisbursed loan obligations ¹	4,706	2,593	2,593	2,593
Unobligated balance.....	119,732	264,963	431,627	669,101
Participation certificates outstanding less principal collections held by trustee.....		—109,667	—247,002	—474,602
Invested capital and earnings.....	680,530	651,119	623,006	611,818
Total Government equity..	804,967	809,008	810,224	808,910

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

Identification code 05-60-4221-0-3-352	1967 actual	1968 est.	1969 est.
25.1 Other services (commissions).....	170	285	475
25.3 Payments to "Salaries and expenses".....	500	500	500
33.0 Investments and loans.....	13,718	15,011	30,017
43.0 Interest and dividends.....	21,266	13,750	7,500
Interest on participation certificates.....	717	9,883	17,898
99.0 Total obligations.....	36,371	39,429	56,390

RURAL HOUSING INSURANCE FUND

Program and Financing (in thousands of dollars)

Identification code 05-60-4141-0-3-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Capital outlay:			
Loans made:			
For payment of delinquent installments.....	277	500	700
Advances on behalf of borrowers.....	10	20	40
From fund for later sale.....	387,710	496,500	475,000
Purchase of loans from lenders.....	8,927	19,800	29,700
Disbursement of loan repayments to note holders.....	22,722	45,900	75,700
Collateral acquired by default.....	10		
Total capital outlay, funded.....	419,656	562,720	581,140
Operating costs, funded: Other expense.....	1,903	3,270	4,720
Total program costs, funded.....	421,559	565,990	585,860
Changes in selected resources ¹	31,366	—6,500	
10 Total obligations.....	452,925	559,490	585,860
Financing:			
14 Receipts and reimbursements from: Non-Federal sources:			
Repayments on advances.....	—219	—250	—450
Repayments on loans held.....	—550	—600	—700
Sale of loans.....	—353,877	—540,000	—506,800
Loan repayments received on behalf of note holders.....	—22,722	—45,900	—75,700
Proceeds from sale of acquired real property.....		—20	—50
Insurance premiums.....	—50	—75	—100
Interest revenue.....	—2,346	—2,000	—2,500
Change in unrealized sales.....	—51,286	29,355	440

¹ Balances of selected resources are identified on the statement of financial condition.

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****Public enterprise funds—Continued****RURAL HOUSING INSURANCE FUND—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-60-4141-0-3-352	1967 actual	1968 est.	1969 est.
Financing—Continued			
21 Unobligated balance available, start of year.....	-21,875	-----	-----
24 Unobligated balance available, end of year.....	-----	-----	-----
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	452,925	559,490	585,860
70 Receipts and other offsets (items 11-17).....	-431,050	-559,490	-585,860
71 Obligations affecting expenditures.....	21,875	-----	-----
72 Obligated balance, start of year.....	46,717	37,481	58,617
74 Obligated balance, end of year.....	-37,481	-58,617	-56,832
90 Expenditures.....	31,112	-21,136	1,785
Expenditures are distributed as follows:			
01 Out of current authorizations.....	31,112	-21,136	1,785
Cash transactions:			
93 Gross expenditures.....	409,769	565,990	585,860
94 Applicable receipts.....	-378,657	-587,126	-584,075

This fund was established in 1965 pursuant to section 517(e) of title V of the Housing Act of 1949, as amended by Public Law 89-117 and Public Law 89-754. This fund is used to insure rural housing loans, farm labor housing loans and loans for rural rental housing. For 1968, insured loans to families in the lower income levels are projected at \$413.8 million and \$50 million of loans to other applicants are estimated. For 1969, the levels for these loans are \$400 million and \$40 million respectively. Insured farm labor housing loans are estimated at \$15 million for 1968 and 1969. Insured loans for rental housing are estimated at \$11.2 million for 1968 and \$20 million for 1969. Initial capitalization of the fund at \$100 million was provided by the Supplemental Appropriation Act, 1966, approved October 31, 1965.

POSITION WITH RESPECT TO INSURANCE AUTHORITIES
 [In thousands of dollars]

	1967 actual	1968 estimate	1969 estimate
Low-to-moderate income building loans (individuals):¹			
Loans insured.....	298,269	350,000	338,000
Commitments to insure loans.....	73,750	63,800	62,000
Total loans.....	372,019	413,800	400,000
Other than low-to-moderate income building loans (individuals):¹			
Loans insured.....	34,853	40,000	30,000
Commitments to insure loans.....	12,811	10,000	10,000
Total loans.....	47,664	50,000	40,000
Farm Labor Housing Loans:			
Annual insurance authority.....	25,000	25,000	25,000
Charges against insurance authority during the year:			
Loans insured.....	1,193	10,000	10,000
Commitments to insure loans.....	2,625	5,000	5,000
Total charges against authority..	3,818	15,000	15,000
Unused insurance authority.....	21,182	10,000	10,000

Rural Rental Housing:¹

Loans insured.....	1,004	7,900	17,000
Commitments to insure loans.....	662	3,300	3,000
Total loans.....	1,666	11,200	20,000

¹ There is no annual limitation on the authority.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Operating program:			
Revenue.....	2,396	2,075	2,600
Expense.....	1,903	3,270	4,720
Net operating income or loss.....	493	-1,195	-2,120
Nonoperating income or loss:			
Net income or loss for the year.....	493	-1,195	-2,120
Analysis of retained earnings, start of year..	911	1,404	209
Retained earnings or deficit, end of year...	1,404	209	-1,911

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	68,592	37,481	58,617	56,832
Accounts receivable, net.....	1,211	2,317	4,036	6,261
Loans receivable, net.....	32,470	74,758	50,678	48,068
Property acquired through fore-closure.....	-----	-----	30	80
Total assets.....	102,273	114,556	113,361	111,241
Liabilities:				
Current.....	1,362	13,152	13,152	13,152
Government equity:				
Non-interest-bearing capital....	100,000	100,000	100,000	100,000
Retained earnings or deficit....	911	1,404	209	-1,911
Total Government equity..	100,911	101,404	100,209	98,089

Analysis of Government Equity (in thousands of dollars)

Undisbursed loan obligations ¹ ...	46,566	77,932	71,432	71,432
Anticipated sales.....	21,875	-51,286	-21,931	-21,491
Invested capital and earnings....	32,470	74,758	50,708	63,148
Total Government equity..	100,911	101,404	100,209	48,089

Note.—This statement excludes contingent liabilities for insured loans in principal amounts at June 30, 1967, \$460,455 thousand; \$952,155 thousand at June 30, 1968; and \$1,382,255 thousand at June 30, 1969.

¹ The changes in these items are reflected on the program and financing schedule

Object Classification (in thousands of dollars)

Identification code 05-60-4141-0-3-352	1967 actual	1968 est.	1969 est.
25.1 Other services.....	1,903	3,270	4,720
33.0 Investments and loans.....	428,300	510,320	505,440
44.0 Refunds.....	22,722	45,900	75,700
99.0 Total obligations.....	452,925	559,490	585,860

EMERGENCY CREDIT REVOLVING FUND**Program and Financing (in thousands of dollars)**

Identification code 05-60-4104-0-3-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
1. Administrative expense.....	4,808	5,948	6,008
2. Other expense.....	654	590	532
Total operating costs, funded....	5,462	6,538	6,540

Capital outlay, funded:				
3. Loans made: Emergency loans.....	95,001	64,000	64,000	
4. Judgments and collateral acquired.....	10	10	10	
Total capital outlay, funded.....	95,011	64,010	64,010	
Total program costs, funded.....	100,473	70,548	70,550	
Change in selected resources ¹	-525			
10 Total obligations.....	99,948	70,548	70,550	
Financing:				
Receipts and reimbursements from:				
11 Federal funds: Southeast Hurricane Disaster Act transfer.....	-307			
14 Non-Federal sources:				
Repayments on loans.....	-88,621	-90,000	-70,000	
Proceeds from sale of acquired property.....	-4	-12	-42	
Payments on judgments.....	-74	-64	-54	
Revenue.....	-3,038	-3,104	-2,404	
21 Unobligated balance available, start of year.....	-28,744	-20,840	-43,472	
24 Unobligated balance available, end of year.....	20,840	43,472	45,422	
40 New obligational authority (appropriation).....				
Relation of obligations to expenditures:				
10 Total obligations.....	99,948	70,548	70,550	
70 Receipts and other offsets (items 11-17).....	-92,044	-93,180	-72,500	
71 Obligations affecting expenditures.....	7,904	-22,632	-1,950	
72 Receivables in excess of obligations, start of year.....	-1,304	-1,997	-1,997	
74 Receivables in excess of obligations, end of year.....	1,997	1,997	1,855	
90 Expenditures.....	8,596	-22,632	-2,092	
Expenditures are distributed as follows:				
01 Out of current authorizations.....	8,596	-22,632	-2,092	
Cash transactions:				
93 Gross expenditures.....	100,405	70,548	70,550	
94 Applicable receipts.....	-91,809	-93,180	-72,642	

¹ Balance of selected resources are identified on the statement of financial condition.

This fund is authorized by subtitle C of the Consolidated Farmers Home Administration Act of 1961 to finance emergency loans in areas where agricultural credit is not readily available because of natural disasters. Loans are generally confined to areas designated as emergency areas. Loans may be made outside of such areas to eligible applicants who have suffered severe production losses not general to the area. Loans also may be made to previously indebted borrowers to permit orderly repayment of such indebtedness.

Loans.—(a) *Emergency loans.*—Emergency loans are made at 3% interest to eligible farmers, ranchers, or oyster planters and to domestic corporations or partnerships engaged primarily in farming, ranching or oyster planting. Loans are made for any authorized purposes for which operating, farm ownership, or soil and water loans may be made by the Farmers Home Administration.

(b) *Other loans.*—Where necessary to protect the Government's investment, obligations are incurred in connection with outstanding loans to provide for payment of such costs as taxes and insurance. Such advances are charged to the borrowers' accounts.

Administrative expenses.—The principal administrative expenses are related to the loan programs of the Farmers Home Administration. These expenses are estimated at \$5.9 million in 1968 and \$6 million in 1969. Administrative

expenses for the Office of the General Counsel are estimated at \$34 thousand in fiscal years 1968 and 1969.

Financing the program.—No new budgetary authorization is required for 1969. A net loss of \$6.2 million is estimated on an accrual basis. Receipts are estimated to exceed expenditures by \$2.1 million on a cash basis. During 1969, the program will be wholly financed by receipts from operations of the revolving fund.

Operating results and financial conditions.—Revenue for 1969, consisting principally of interest on loans, is estimated at \$2.4 million, compared to expenses of \$8.6 million, resulting in an estimated loss of \$6.2 million. A net gain of \$1 million is estimated for 1968, and a net loss of \$5.5 million resulted in 1967.

Loans receivable, after allowance for losses, are expected to amount to \$74 million on June 30, 1969, as compared to \$82.1 million on June 30, 1968, and \$103.7 million on June 30, 1967.

The Government investment at June 30, 1969, is expected to be \$121.3 million consisting of \$235.8 million appropriated and donated, less a deficit of \$114.5 million.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Operating program:			
Revenue.....	3,345	3,104	2,404
Expense.....	-8,867	-2,068	-8,648
Net operating loss.....	-5,522	1,036	-6,244
Nonoperating profit or loss:			
Proceeds from sale of collateral:			
Cash.....	4	12	42
Loans receivable.....	6	50	50
Total proceeds from sale of collateral.....	10	62	92
Net book value of assets sold.....	-6	-57	-87
Net nonoperating income.....	4	5	5
Net gain or loss for the year.....	-5,518	1,041	-6,239
Analysis of deficit:			
Deficit, start of year.....	-103,799	-109,317	-108,276
Deficit, end of year.....	-109,317	-108,276	-114,515

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	27,440	18,843	41,475	43,567
Accounts receivable, net.....	3,622	3,858	3,858	3,716
Loans receivable, net.....	100,830	103,754	82,144	73,962
Acquired security or collateral.....	133	149	192	205
Judgments, net.....	192	162	138	118
Total assets.....	132,217	126,766	127,807	121,568
Liabilities:				
Current.....	158	225	225	225
Government equity:				
Non-interest-bearing capital.....	235,858	235,858	235,858	235,858
Deficit.....	-103,799	-109,317	-108,276	-114,515
Total Government equity.....	132,059	126,541	127,582	121,343

Analysis of Government Equity (in thousands of dollars)

Un disbursed loan obligations ¹	2,161	1,636	1,636	1,636
Unobligated balance.....	28,744	20,840	43,472	45,422
Invested capital and earnings.....	101,155	104,065	82,474	74,285
Total Government equity.....	132,059	126,541	127,582	121,343

¹ The changes in these items are reflected on the program and financing schedule.

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****Public enterprise funds—Continued****EMERGENCY CREDIT REVOLVING FUND—Continued****Object Classification (in thousands of dollars)**

Identification code 05-60-4104-0-3-352	1967 actual	1968 est.	1969 est.
FARMERS HOME ADMINISTRATION			
Personnel compensation:			
11.1 Permanent positions.....	4,159	4,686	4,742
11.3 Positions other than permanent.....	87	105	105
11.5 Other personnel compensation.....	15	21	21
Total personnel compensation.....	4,261	4,812	4,868
12.0 Personnel benefits.....	321	367	371
21.0 Travel and transportation of persons.....	201	370	370
22.0 Transportation of things.....		15	15
23.0 Rent, communications, and utilities.....		225	225
24.0 Printing and reproduction.....		25	25
25.1 Other services.....		70	70
26.0 Supplies and materials.....		25	25
31.0 Equipment.....		5	5
33.0 Investments and loans.....	94,486	64,010	64,010
92.0 Undistributed charges (provision for losses on current receivables, etc.).....	654	590	532
Total obligations, Farmers Home Administration.....	99,923	70,514	70,516
ALLOTMENT TO THE OFFICE OF THE GENERAL COUNSEL			
11.1 Personnel compensation: Permanent positions.....	23	32	32
12.0 Personnel benefits.....	2	2	2
Total obligations, Office of the General Counsel.....	25	34	34
99.0 Total obligations.....	99,948	70,548	70,550

Personnel Summary

FARMERS HOME ADMINISTRATION			
Total number of permanent positions.....	565	610	610
Full-time equivalent of other positions.....	18	20	20
Average number of all employees.....	578	625	625
Average GS grade.....	7.0	7.1	7.2
Average GS salary.....	\$7,536	\$7,903	\$7,945
ALLOTMENT TO THE OFFICE OF THE GENERAL COUNSEL			
Total number of permanent positions.....	4	4	4
Average number of all employees.....	3	4	4
Average GS grade.....	9.0	9.1	8.9
Average GS salary.....	\$10,290	\$10,380	\$10,330

AGRICULTURAL CREDIT INSURANCE FUND**Program and Financing (in thousands of dollars)**

Identification code 05-60-4140-0-3-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Capital outlay:			
Loans made:			
For payment of delinquent installments.....	8,433	10,000	12,000
Advances on behalf of borrowers.....	1,373	1,200	1,000
From fund for later sale.....	314,476	373,300	402,900
Purchase of loans from lenders.....	58,259	75,000	75,000

Disbursement of loan repayments to note holders.....	78,119	110,000	139,000
Collateral acquired by default.....	142	170	195
Judgments.....	4	10	11

Total capital outlay, funded.....	460,806	569,680	630,106
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Operating costs, funded:

Administrative expenses.....	775	2,250	2,250
Premium interest paid note holders.....	2,798	4,000	6,000
Interest on borrowings.....	7,392	7,500	7,500
Other expenses.....	914	1,540	2,257

Total operating costs, funded.....	11,879	15,290	18,007
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Total program cost, funded.....	472,685	584,970	648,113
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Change in selected resources ¹	88,812	-46,000	-----
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10 Total obligations.....	561,497	538,970	648,113
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Financing:

14 Receipts and reimbursements from:			
Non-Federal sources:			
Repayments on advances.....	-7,492	-8,600	-10,500
Repayments on loans held.....	-17,082	-19,000	-19,000
Sale of loans.....	-375,263	-510,800	-475,000
Loan repayments received on behalf of note holders.....	-78,119	-110,000	-139,000
Proceeds from sale of acquired real estate.....	-106	-200	-300
Payments on judgments.....	-28	-26	-26
Insurance premiums.....	-3,574	-3,300	-3,000
Interest revenue.....	-8,426	-8,500	-8,500
Premium on insured loans sold.....	-162	-----	-----
Fees and other revenues.....	-6	-5	-5
21.47 Unobligated balance available, start of year: Authorization to spend public debt receipts.....	-----	-----	-121,461
24.47 Unobligated balance available, end of year: Authorization to spend public debt receipts.....	-----	121,461	128,679

67 New obligatory authority (authorization to spend public debt receipts).....	71,239	-----	-----
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Relation of obligations to expenditures:

10 Total obligations.....	561,497	538,970	648,113
70 Receipts and other offsets (items 11-17).....	-490,258	-660,431	-655,331
71 Obligations affecting expenditures.....	71,239	-121,461	-7,218
72.47 Obligated balance, start of year: Authorization to spend public debt receipts.....	38,842	131,351	64,890
72.98 Fund balance.....	1,107	6,365	23,116
74.47 Obligated balance, end of year: Authorization to spend public debt receipts.....	-131,351	-64,890	-42,672
74.98 Fund balance.....	-6,365	-23,116	-41,560
90 Expenditures.....	-26,528	-71,751	-3,444

Expenditures are distributed as follows:

01 Out of current authorizations.....	-26,528	-71,751	-3,444
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Cash transactions:

93 Gross expenditures.....	466,647	584,970	648,113
94 Applicable receipts.....	-493,175	-656,721	-651,557

¹ Balances of selected resources are identified on the statement of financial condition.

This fund is used to insure farm ownership loans and soil and water loans to individuals and association loans as authorized by subtitle A of the Consolidated Farmers Home Administration Act of 1961. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified

initial period. The initial fund of \$1 million may be supplemented by amounts retained by the Government out of interest collected from insured loan borrowers and by borrowing from the Secretary of the Treasury. From any amounts so retained, not to exceed one-half of 1% of the outstanding principal obligations must be deposited to the fund to cover losses. Any remainder of such charges may be used for administrative expenses. Loans may be made directly from the fund from available receipts or borrowings from the Treasury for the purpose of acquiring blocks of loans if there is reasonable assurance that the loans can be sold to investors without undue delay. With respect to loans made from this fund, not more than \$50 million for farm ownership loans, soil and water loans to individuals and association loans may be held in the fund at any one time. Interest paid the Secretary of the Treasury on borrowings is based on the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued for borrowings from the Treasury for operation of the fund.

Budget program.—Capital outlay is estimated at \$630.1 million in 1969, an increase of \$60.4 million over 1968 and an increase of \$169.3 million over 1967. Included in capital outlay is \$373.3 million in 1968 and \$402.9 million in 1969 for making loans from the fund which will later be sold on an insured basis. The increase in 1968 and 1969 in sale of loans from the fund is based on all insured loans being made by the fund for later sale in order to permit a premium yield to investors. Insured loans outstanding which are contingent liabilities against the insurance fund are expected to increase from \$1,175 million on June 30, 1967 to approximately \$1,553 billion at June 30, 1968 and to \$1,878 million by June 30, 1969.

Financing.—To finance operations, it is estimated that it will be necessary to utilize the statutory authorization to borrow from the Treasury in the net amount of \$15 million in 1969. Net repayments to the Treasury in 1968 are estimated at \$55 million.

Operating results and retained earnings.—Total revenue, consisting principally of loan insurance charges, is estimated at \$11.5 million in 1969, a decrease of about \$0.3 million from 1968.

Net outstanding loans receivable of \$85.8 million are estimated at June 30, 1969. Retained earnings, available to cover future losses are estimated to be \$15.4 million at the end of 1969. These earnings when added to the \$1 million appropriation and estimated borrowings of \$113.5 million from the Treasury represent a \$129.9 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITIES

[In thousands of dollars]

1967 actual 1968 estimate 1969 estimate

Farm ownership loans, soil and water loans to individuals and association loans:			
Annual insurance authority.....	450,000	450,000	450,000
Charges against insurance authority during the year:			
Loans insured.....	275,476	258,356	330,980
Commitments to insure pending advances by lenders.....	121,040	68,644	64,020
Total charges against authority.....	396,516	327,000	395,000
Unused insurance authority.....	53,484	123,000	55,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Operating program:			
Revenue.....	12,006	11,805	11,505
Expense.....	11,955	15,370	18,112
Net operating income or loss.....	51	-3,565	-6,607
Nonoperating income or loss:			
Proceeds from sale of acquired property:			
Cash sales.....	106	200	300
Exchanged for loans receivable.....	443	300	300
Total proceeds from sales of acquired property.....	549	500	600
Net book value of assets sold.....	-548	-490	-590
Net gain on sale of acquired property..	1	10	10
Discount on insured loans sold.....	-314		
Net gain from the sale of insured loans.....	162		
Net nonoperating gain or loss (-)....	-151	10	10
Net loss for the year.....	-100	-3,555	-6,597
Analysis of retained earnings:			
Start of year.....	25,677	25,577	22,022
End of the year.....	25,577	22,022	15,425

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	1,107	6,365	23,116	41,560
Accounts receivable, net.....	11,753	8,837	12,547	16,321
Loans receivable, net.....	197,125	179,297	99,942	85,862
Judgments.....	94	69	98	103
Property acquired through foreclosure.....	502	682	992	1,252
Total assets.....	210,581	195,250	136,695	145,098
Liabilities:				
Current.....	9,194	15,233	15,233	15,233
Government equity:				
Interest-bearing capital:				
Start of year.....	86,490	174,710	153,440	98,440
Borrowings from Treasury, net.....	88,220	-21,270	-55,000	15,000
End of year.....	174,710	153,440	98,440	113,440
Non-interest-bearing capital.....	1,000	1,000	1,000	1,000
Retained earnings.....	25,677	25,577	22,022	15,425
Total Government equity.....	201,387	180,017	121,462	129,865

Analysis of Government Equity and Undrawn Authorizations (in thousands of dollars)

Undisbursed loan obligations.....	42,479	131,310	85,310	85,310
Unobligated balance.....			121,461	128,679
Undisbursed obligations to pay recoverable loan costs ¹	29	10	10	10
Invested capital and earnings.....	197,721	180,048	101,032	87,217
Subtotal.....	240,229	311,368	307,813	301,216
Less undrawn authorizations.....	-38,842	-131,351	-186,351	-171,351
Total Government equity.....	201,387	180,017	121,462	129,865

Note.—This statement excludes contingent liabilities for insured loans in principal amounts at June 30, 1967, \$1,174,983 thousand; at June 30, 1968, \$1,552,783 thousand; and \$1,877,783 thousand at June 30, 1969.

¹ The change in these items are reflected on the program and financing schedule.

Federal Funds—Continued**FARMERS HOME ADMINISTRATION—Continued****Public enterprise funds—Continued****AGRICULTURAL CREDIT INSURANCE FUND—Continued****Object Classification (in thousands of dollars)**

Identification code 05-60-4140-0-3-352	1967 actual	1968 est.	1969 est.
25.1 Other services.....	914	1,540	2,257
25.3 Payment to "Salaries and expenses".....	775	2,250	2,250
33.0 Investments and loans.....	471,499	413,680	491,106
43.0 Interest and dividends.....	10,190	11,500	13,500
44.0 Refunds.....	78,119	110,000	139,000
99.0 Total obligations.....	561,497	538,970	648,113

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-60-3998-0-4-352	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Miscellaneous service to other accounts.....	240	310	313
2. Agency for International Development (Funds appropriated to the President).....	641	824	910
10 Total program costs, funded—obligations.....	881	1,134	1,223
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	-877	-1,124	-1,213
14 Non-Federal sources (40 U.S.C. 481(c)).....	-4	-10	-10
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....	881	1,134	1,223
70 Receipts and other offsets (items 11-17).....	-881	-1,134	-1,223
71 Obligations affecting expenditures.....			
90 Expenditures.....			

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	689	896	969
11.3 Positions other than permanent.....	1		
11.5 Other personnel compensation.....	55	62	64
Total personnel compensation.....	745	958	1,033
12.0 Personnel benefits.....	57	75	80
21.0 Travel and transportation of persons.....	48	60	66
22.0 Transportation of things.....	12	15	17
23.0 Rent, communications, and utilities.....	5	7	7
25.1 Other services.....	11	16	17

31.0 Equipment.....	3	3	3
99.0 Total obligations.....	881	1,134	1,223

Personnel Summary

Total number of permanent positions.....	75	100	105
Average number of all employees.....	67	84	89
Average GS grade.....	7.0	7.1	7.2
Average GS salary.....	\$7,536	\$7,903	\$7,945

RURAL COMMUNITY DEVELOPMENT SERVICE**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership and related services in carrying out the rural areas development activities of the Department, **[\$450,000] \$469,000: Provided,** That not to exceed \$3,000 shall be available for employment under 5 U.S.C. 3109. (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-64-0800-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Program coordination and direction (program costs, funded) ¹	618	463	469
Change in selected resources ²	5		
10 Total obligations.....	623	463	469
Financing:			
25 Unobligated balance lapsing.....	29		
New obligational authority.....			
652	463	469	
New obligational authority:			
40 Appropriation.....	652	450	469
46 Proposed transfer from other accounts for civilian pay increases.....		13	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	623	463	469
72 Obligated balance, start of year.....	65	14	24
74 Obligated balance, end of year.....	-14	-24	-32
77 Adjustments in expired accounts.....	-10		
90 Expenditures.....	664	453	461
Expenditures are distributed as follows:			
01 Out of current authorizations.....	664	439	437
02 Out of prior authorizations.....		14	24

¹ Includes capital outlay as follows: 1967, \$5 thousand; 1968, \$0; 1969, \$0.
² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$10 thousand (1967 adjustments, -\$10 thousand); 1967, \$5 thousand; 1968, \$5 thousand; 1969, \$5 thousand.

The Service provides general staff leadership and other services in carrying out the outreach functions for rural areas development activities of the Department at the Federal level.

Object Classification (in thousands of dollars)

Identification code 05-64-0800-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	355	369	377
11.3 Positions other than permanent.....	3	3	-----
11.8 Special personal service payments.....	151	-----	-----
Total personnel compensation.....	508	372	377
12.0 Personnel benefits.....	37	28	29
13.0 Benefits for former personnel.....	3	-----	-----
21.0 Travel and transportation of persons.....	24	35	35
22.0 Transportation of things.....	-----	1	1
23.0 Rent, communications, and utilities.....	21	10	10
24.0 Printing and reproduction.....	11	10	10
25.1 Other services.....	1	1	1
25.2 Services of other agencies.....	8	1	1
26.0 Supplies and materials.....	7	5	5
31.0 Equipment.....	2	-----	-----
99.0 Total obligations.....	623	463	469

Personnel Summary

Total number of permanent positions.....	24	26	26
Average number of all employees.....	27	26	26
Average GS grade.....	11.3	11.2	11.2
Average GS salary.....	\$13,644	\$14,276	\$14,315

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-64-3995-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Economic development program (Commerce).....	44	15	15
2. Assistance in rural areas (Office of Economic Opportunity).....	31	-----	-----
3. Miscellaneous services to other agencies.....	12	29	5
10 Total program costs, funded—obligations.....	87	44	20
Financing:			
11 Receipts and reimbursements from: Federal funds.....	-87	-44	-20
New obligatory authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	87	44	20
70 Receipts and other offsets (items 11-17).....	-87	-44	-20
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	77	40	17
11.5 Other personnel compensation.....	1	1	1
Total personnel compensation.....	78	41	18
12.0 Personnel benefits.....	6	2	1
25.2 Services of other agencies.....	3	1	1
99.0 Total obligations.....	87	44	20

Personnel Summary

Total number of permanent positions.....	5	3	2
Average number of all employees.....	5	3	2
Average GS grade.....	11.3	11.2	11.2
Average GS salary.....	\$13,644	\$14,276	\$14,315

ADVANCES AND REIMBURSEMENTS, AGRICULTURE

Program and Financing (in thousands of dollars)

Identification code 05-64-3900-0-4-355	1967 actual	1968 est.	1969 est.
Financing:			
17 Recovery of prior year obligations.....	-12	-----	-----
25 Unobligated balance lapsing.....	12	-----	-----
New obligatory authority.....	-----	-----	-----
Relation of obligations to expenditures:			
70 Receipts and other offsets (items 11-17).....	-12	-----	-----
71 Obligations affecting expenditures.....	-12	-----	-----
72 Obligated balance, start of year.....	60	12	-----
74 Obligated balance, end of year.....	-12	-----	-----
90 Expenditures.....	36	12	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	36	12	-----

The preceding schedule reflects expenditures from the Consolidated working fund, Department of Agriculture. Advances were received from the Department of Commerce, Economic Development Administration (formerly the Area Redevelopment Administration) for operations carried out as well as special technical assistance projects. Funds were received into this account as an administrative convenience and were allotted to the individual agencies of the Department of Agriculture which carried out the program. Costs and obligations for these activities are shown in the Advances and reimbursement schedules for the individual agencies which actually received these funds.

OFFICE OF THE INSPECTOR GENERAL

General and special funds:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 ([58 Stat. 742] 7 U.S.C. 2225) and not to exceed \$10,000 for employment under 5 U.S.C. 3109, [\$11,993,000] \$12,867,000. (7 U.S.C. 450b, 2201-2202, 2220; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-68-0900-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Internal audit and investigation (program costs, funded) ¹	11,993	12,815	13,411
Change in selected resources ²	-4	-----	-----
10 Total obligations.....	11,988	12,815	13,411

¹ Includes capital outlay as follows: 1967, \$39 thousand; 1968, \$15 thousand; 1969, \$15 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$49 thousand (1967 adjustments, -\$12 thousand); 1967, \$32 thousand; 1968, \$32 thousand; 1969, \$32 thousand.

Federal Funds—Continued**OFFICE OF THE INSPECTOR GENERAL—Con.****General and special funds—Continued****SALARIES AND EXPENSES—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-68-0900-0-1-355	1967 actual	1968 est.	1969 est.
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	-421	-412	-415
13 Trust funds.....	-103	-127	-129
16 Comparative transfers from other accounts.....	-256	-----	-----
25 Unobligated balance lapsing.....	228	-----	-----
New obligational authority.....	11,437	12,276	12,867
New obligational authority:			
40 Appropriation.....	11,504	11,993	12,867
41 Transferred to other accounts.....	-67	-17	-----
43 Appropriation (adjusted).....	11,437	11,976	12,867
46 Proposed transfer from other accounts for civilian pay increases.....	-----	300	-----
Relation of obligations to expenditures:			
10 Total obligations.....	11,988	12,815	13,411
70 Receipts and other offsets (items 11-17).....	-780	-539	-544
71 Obligations affecting expenditures.....	11,208	12,276	12,867
72 Obligated balance, start of year.....	515	346	615
74 Obligated balance, end of year.....	-346	-615	-898
77 Adjustments in expired accounts.....	-12	-----	-----
90 Expenditures.....	11,366	12,007	12,584
Expenditures are distributed as follows:			
01 Out of current authorizations.....	11,366	11,661	11,969
02 Out of prior authorizations.....		346	615

The Office serves as the audit and investigative arm of the Secretary of Agriculture and performs all audit and investigative activities of the Department. The Office of the Inspector General assures the Secretary of completely independent and objective selection of departmental activities to be audited; critical reviews and examination of the Department's programs and activities; and factual, unbiased reporting of the results of these audits and investigations. In so doing, the Office assures that existing laws, policies, and programs are effectively complied with; and insures corrective action where necessary. It also coordinates internal audit and investigative activities of the Department with the various investigative agencies of the executive and legislative branches of the Government. The recommended increase is provided to strengthen the audit and investigative services due to increased activities under the Food Stamp and Meat Inspection Programs and for Farmers Home Administration county office audits.

Object Classification (in thousands of dollars)

Identification code 05-68-0900-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	8,450	9,166	9,607
11.3 Positions other than permanent.....	10	11	12
11.5 Other personnel compensation.....	32	37	37
Total personnel compensation.....	8,493	9,214	9,656

12.0 Personnel benefits.....	672	734	772
21.0 Travel and transportation of persons.....	2,205	2,317	2,412
22.0 Transportation of things.....	42	60	62
23.0 Rent, communications, and utilities.....	179	177	177
24.0 Printing and reproduction.....	44	46	46
25.1 Other services.....	65	48	51
25.2 Services of other agencies.....	164	114	126
26.0 Supplies and materials.....	102	90	93
31.0 Equipment.....	21	15	16
99.0 Total obligations.....	11,988	12,815	13,411

Personnel Summary

Total number of permanent positions.....	909	939	974
Full-time equivalent of other positions.....	2	3	3
Average number of all employees.....	842	885	916
Average GS grade.....	9.9	10.1	10.1
Average GS salary.....	\$10,082	\$10,581	\$10,637

PACKERS AND STOCKYARDS ADMINISTRATION**General and special funds:****[PACKERS AND STOCKYARDS ACT] SALARIES AND EXPENSES**

For expenses necessary for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (58 Stat. 742), \$2,569,300¹ 7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109, \$3,166,000. (7 U.S.C. 181-229; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-70-2600-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Administration of the Packers and Stockyards Act (program costs, funded) 1.....	2,510	2,640	3,166
Change in selected resources 2.....	11	-----	-----
10 Total obligations.....	2,521	2,640	3,166
Financing:			
25 Unobligated balance lapsing.....	49	-----	-----
New obligational authority.....	2,569	2,640	3,166
New obligational authority:			
40 Appropriation.....	2,569	2,569	3,166
46 Proposed transfer from other accounts for civilian pay increases.....	-----	71	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	2,521	2,640	3,166
72 Obligated balance, start of year.....	-----	141	109
74 Obligated balance, end of year.....	-141	-109	-157
90 Expenditures.....	2,380	2,672	3,118
Expenditures are distributed as follows:			
01 Out of current authorizations.....	2,380	2,531	3,009
02 Out of prior authorizations.....		141	109

¹ Includes capital outlay as follows: 1967, \$13 thousand; 1968, \$9 thousand; 1969, \$15 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1967, \$11 thousand; 1968, \$0; 1969, \$0.

This program is aimed at assuring fair play in the marketing of livestock, meat, and poultry. Its principal purpose is to maintain effective competition for livestock, meats, and poultry, so as to bring to farmers and ranchers the true market value of their livestock and poultry. Members of the livestock, poultry, and meat industries are also protected against unfair business practices of

competitors. Consumers are also protected from unfair practices in the marketing of meats and poultry, and from restrictions on competition which could unduly increase meat and poultry prices.

The increase for 1969 would be used to expand the Department's activities in the areas of (1) packer merchandising and procurement practices; (2) maintenance of effective competition; (3) poultry marketing practices; and (4) livestock carcass and poultry scale testing program.

The volume of work performed is indicated by the following examples:

	1967 actual	1968 estimate	1969 estimate
Number of complaints received.....	6,252	6,300	8,050
Number of investigations and audits....	10,407	9,360	11,500
Formal proceedings disposed of.....	229	246	316

Object Classification (in thousands of dollars)

Identification code 05-70-2600-0-1-355	1967 actual	1968 est.	1969 est.
PACKERS AND STOCKYARDS ADMINISTRATION			
Personnel compensation:			
11.1 Permanent positions.....	1,879	1,953	2,382
11.3 Positions other than permanent....	20	14	20
11.5 Other personnel compensation.....	7	6	6
Total personnel compensation.....	1,906	1,973	2,408
12.0 Personnel benefits.....	164	159	194
21.0 Travel and transportation of persons..	211	212	267
22.0 Transportation of things.....	16	15	35
23.0 Rent, communications, and utilities....	113	114	127
24.0 Printing and reproduction.....	22	15	22
25.1 Other services.....	30	25	34
25.2 Services of other agencies.....	15	19	31
26.0 Supplies and materials.....	25	22	31
31.0 Equipment.....	19	11	17
Total obligations, Packers and Stockyards Administration.....	2,521	2,565	3,166
ALLOTMENT TO OFFICE OF MANAGEMENT SERVICES			
Personnel compensation:			
11.1 Permanent positions.....		60	
11.3 Positions other than permanent.....		1	
Total personnel compensation.....		61	
12.0 Personnel benefits.....		4	
23.0 Rent, communications, and utilities....		4	
24.0 Printing and reproduction.....		2	
25.1 Other services.....		2	
26.0 Supplies and materials.....		2	
Total obligations, Office of Management Services.....		75	
99.0 Total obligations.....	2,521	2,640	3,166

Personnel Summary

PACKERS AND STOCKYARDS ADMINISTRATION			
Total number of permanent positions.....	209	198	229
Full-time equivalent of other positions.....	3	2	3
Average number of all employees.....	187	189	217
Average GS grade.....	9.6	9.8	9.8
Average GS salary.....	\$9,838	\$10,853	\$10,800
ALLOTMENT TO OFFICE OF MANAGEMENT SERVICES			
Total number of permanent positions.....		9	
Full-time equivalent of other positions.....		0	
Average number of all employees.....		7	
Average GS grade.....		7.1	
Average GS salary.....		\$8,208	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-70-3900-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Miscellaneous services to other accounts (costs—obligations) (object class 24.0)	1		
Financing:			
11 Receipts and reimbursements from: Federal funds.....	-1		
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....	1		
70 Receipts and other offsets (items 11-17).....	-1		
71 Obligations affecting expenditures.....			
90 Expenditures.....			

OFFICE OF THE GENERAL COUNSEL

General and special funds:

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, **[\$4,325,000]** \$5,033,000. (7 U.S.C. 2201-2202, 2214a; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-72-2300-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Commodity and production stabilization.....	943	1,143	1,156
2. Marketing, regulatory laws, research and operations.....	1,161	1,194	1,650
3. Rural development and conservation.....	2,068	2,124	2,227
Total program costs, funded ¹	4,172	4,461	5,033
Change in selected resources ²	-9		
10 Total obligations.....	4,163	4,461	5,033
Financing:			
25 Unobligated balance lapsing.....	160		
New obligational authority.....			
40 Appropriation.....	4,325	4,325	5,033
41 Transferred to other accounts.....	-2		
43 Appropriation (adjusted).....	4,323	4,325	5,033
46 Proposed transfer from other accounts for civilian pay increases.....		136	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	4,163	4,461	5,033
72 Obligated balance, start of year.....	187	175	184
74 Obligated balance, end of year.....	-175	-184	-211
77 Adjustments in expired accounts.....	-6		
90 Expenditures.....	4,170	4,452	5,006
Expenditures are distributed as follows:			
01 Out of current authorizations.....	3,993	4,277	4,822
02 Out of prior authorizations.....	177	175	184

¹ Includes capital outlay as follows: 1967, \$12 thousand; 1968, \$13 thousand; 1969, \$16 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$17 thousand (1967 adjustments, -\$6 thousand); 1967, \$2 thousand; 1968, \$2 thousand; 1969, \$2 thousand.

Federal Funds—Continued**OFFICE OF THE GENERAL COUNSEL—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued**

The Office serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans and disposes of claims arising out of the Department activities.

Object Classification (in thousands of dollars)

Identification code 05-72-2300-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	3,617	3,863	4,353
11.3 Positions other than permanent....	28	33	33
11.5 Other personnel compensation.....	2	3	3
Total personnel compensation.....	3,647	3,899	4,389
12.0 Personnel benefits.....	272	301	340
21.0 Travel and transportation of persons...	76	82	93
22.0 Transportation of things.....	1	1	2
23.0 Rent, communications, and utilities...	67	71	81
24.0 Printing and reproduction.....	14	14	17
25.1 Other services.....	5	5	5
25.2 Services of other agencies.....	20	23	27
26.0 Supplies and materials.....	30	32	36
31.0 Equipment.....	32	33	43
99.0 Total obligations.....	4,163	4,461	5,033

Personnel Summary

Total number of permanent positions.....	372	381	436
Full-time equivalent of other positions.....	4	5	5
Average number of all employees.....	336	345	398
Average GS grade.....	9.0	9.1	8.9
Average GS salary.....	\$10,290	\$10,842	\$10,597

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
Agricultural Stabilization and Conservation Service, "Expenses."
Farmers Home Administration, "Emergency credit revolving fund."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-72-3990-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Rural development and conservation (program costs, funded).....	82	130	214
Change in selected resources ¹	-1		
10 Total obligations.....	81	130	214
Financing:			
11 Receipts and reimbursements from: Federal funds.....	-81	-130	-214
New obligational authority.....			

Relation of obligations to expenditures:

10 Total obligations.....	81	130	214
70 Receipts and other offsets (items 11-17).....	-81	-130	-214
71 Obligations affecting expenditures.....			
90 Expenditures.....			

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$0; 1967, \$0 (1967 adjustments, -\$1 thousand); 1968, \$0; 1969, \$0.

Object Classification (in thousands of dollars)

Identification code 05-72-3990-0-4-355	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions.....	72	113	186
12.0 Personnel benefits.....	5	8	14
21.0 Travel and transportation of persons...	1	1	4
23.0 Rent, communications, and utilities.....		1	1
25.2 Services of other agencies.....	3	5	7
26.0 Supplies and materials.....		1	1
31.0 Equipment.....		1	1
99.0 Total obligations.....	81	130	214

Personnel Summary

Total number of permanent positions.....	9	17	27
Average number of all employees.....	7	14	23
Average GS grade.....	9.0	9.1	8.9
Average GS salary.....	\$10,290	\$10,842	\$10,597

OFFICE OF INFORMATION**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, [\$1,928,000] \$1,997,000, of which total appropriation not to exceed \$587,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742) 7 U.S.C. 2225), and not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-2202; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-76-0200-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Publications review and distribution...	732	866	881
2. Review and distribution of current agricultural information.....	970	757	771
3. Review, preparation, and distribution of visual agricultural information...	326	342	345
Total program costs, funded ¹ ...	2,028	1,965	1,997
Change in selected resources ²	-149		
10 Total obligations.....	1,878	1,965	1,997
Financing:			
25 Unobligated balance lapsing.....	4		
New obligational authority.....	1,882	1,965	1,997

New obligational authority:			
40 Appropriation.....	1,882	1,928	1,997
46 Proposed transfer from other accounts for civilian pay increases.....		37	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	1,878	1,965	1,997
72 Obligated balance, start of year.....	598	435	436
74 Obligated balance, end of year.....	-435	-436	-442
77 Adjustments in expired accounts.....	-3		
90 Expenditures.....	2,039	1,964	1,991
Expenditures are distributed as follows:			
01 Out of current authorizations.....	2,039	1,529	1,564
02 Out of prior authorizations.....		435	427

¹ Includes capital outlay as follows: 1967, \$18 thousand; 1968, \$3 thousand; 1969, \$3 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967 adjustments	1967	1968	1969
Stores.....	154	---	183	183	183
Unpaid undelivered orders....	259	-3	78	78	78
Total selected resources	413	-3	261	261	261

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, agricultural, and closely related groups, and to the public the Department's research, action, regulatory, and other programs, using all information media. This work is carried on in close cooperation with the land-grant institutions and with private industries which serve agriculture. Workload depends upon Department program demands, direct requests, and legislative requirements.

1. *Publications review and distribution.*—The department's printed publications are reviewed, published, and distributed. Processed publications are reviewed. Publications include farmers' bulletins, leaflets, periodicals, scientific, research, and marketing publications, and agricultural statistics.

2. *Review and distribution of current agricultural information.*—The Department's widespread activities require extensive preparation of information material for press, radio, and television use, as well as for specific agricultural outlets and the general public. Periodic crop, price, and market reports and press releases are issued. Digests, newsletters, special articles, and other editorial services are made available to press associations, farm and general publications, trade publications, daily newspapers, and encyclopedic annuals. Radio is used to reach farmers locally through single stations, and to broadcast nationally through the major networks. Films, television packages, and other services are prepared for the use of land-grant institutions, television farm broadcasters, and TV networks. Information campaigns involving activities of cross-agency interest are developed using all media. The Yearbook of Agriculture is published by the Office and distributed by the Members of Congress.

3. *Review, preparation, and distribution of visual agricultural information.*—Motion pictures for the Department and nonprofit organizations associated with agriculture, produced on a reimbursable basis under the Department's working capital fund, are distributed through cooperating State film libraries. Still photographs, illustrations, graphics, and exhibits are similarly produced for use in explaining and reporting on Department programs. News and general-type photographs of Department programs and activities are available to news media from a centralized library.

Object Classification (in thousands of dollars)			
Identification code 05-76-0200-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	960	1,083	1,095
11.3 Positions other than permanent.....	3	2	2
11.5 Other personnel compensation.....	1	2	2
11.8 Special personal service payments.....	7		
Total personnel compensation.....	971	1,087	1,099
12.0 Personnel benefits.....	73	82	83
21.0 Travel and transportation of persons.....	5	8	8
22.0 Transportation of things.....	3	3	3
23.0 Rent, communications, and utilities.....	101	101	119
24.0 Printing and reproduction.....	601	607	607
25.1 Other services.....	7	10	10
25.2 Services of other agencies.....	69	47	48
26.0 Supplies and materials.....	17	14	14
31.0 Equipment.....	31	6	6
99.0 Total obligations.....	1,878	1,965	1,997

Personnel Summary

Total number of permanent positions.....	133	135	135
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	114	122	122
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$8,531	\$9,056	\$9,177
Average salary of ungraded positions.....	\$6,175	\$6,609	\$6,609

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriation, as follows:

Soil Conservation Service, "Great Plains conservation program."
"Working capital fund."
Agricultural Research Service, "Salaries and expenses."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-76-3996-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Review, preparation, and distribution of visual agricultural information.....	16	20	20
2. Agency for International Development (Funds appropriated to the President).....	59	2	2
Total program costs, funded.....	75	22	22
Change in selected resources ¹	1		
10 Total obligations.....	76	22	22
Financing:			
Receipts and reimbursements from:			
11 Federal funds.....	-61	-2	-2
14 Non-Federal sources ²	-15	-20	-20
New obligational authority.....			
Relation of obligations to expenditures:			
10 Total obligations.....	76	22	22
70 Receipts and other offsets (items 11-17).....	-76	-22	-22
71 Obligations affecting expenditures.....			
90 Expenditures.....			

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$0; 1967, \$1 thousand; 1968, \$0; 1969, \$0.

² Reimbursements from non-Federal sources are derived from sale of photographs (7 U.S.C. 1387).

Federal Funds—Continued**OFFICE OF INFORMATION—Continued****Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Object Classification (in thousands of dollars)**

Identification code 05-76-3996-0-4-355	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions.....	39	2	2
12.0 Personnel benefits.....	3	-----	-----
21.0 Travel and transportation of persons.....	1	-----	-----
23.0 Rent, communications, and utilities.....	1	-----	-----
24.0 Printing and reproduction.....	22	20	20
25.2 Services of other agencies.....	8	-----	-----
31.0 Equipment.....	1	-----	-----
99.0 Total obligations.....	76	22	22

Personnel Summary

Total number of permanent positions.....	4	0	0
Average number of all employees.....	4	0	0
Average GS grade.....	7.9	-----	-----
Average GS salary.....	\$8,531	-----	-----

NATIONAL AGRICULTURAL LIBRARY**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses of the National Agricultural Library, **[\$2,608,500] \$3,419,000: Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (**[58 Stat. 742] 7 U.S.C. 2225**), and not to exceed \$35,000 shall be available for employment under 5. U.S.C. 3109. (**5 U.S.C. 5946; 7 U.S.C. 450b, 450i, 2201-2202, 2204, 2206, 2244; Department of Agriculture and Related Agencies Appropriation Act, 1968.**)

Program and Financing (in thousands of dollars)

Identification code 05-84-0300-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Agricultural library services (program costs, funded) ¹	1,850	2,666	3,419
Change in selected resources ²	585	-----	-----
10 Total obligations.....	2,435	2,666	3,419
Financing:			
25 Unobligated balance lapsing.....	23	-----	-----
New obligational authority.....	2,458	2,666	3,419
New obligational authority:			
40 Appropriation.....	2,458	2,608	3,419
46 Proposed transfer from other accounts for civilian pay increases.....	-----	58	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	2,435	2,666	3,419
72 Obligated balance, start of year.....	271	895	671
74 Obligated balance, end of year.....	-895	-671	-580
77 Adjustments in expired accounts.....	-10	-----	-----
90 Expenditures.....	1,801	2,890	3,510

Expenditures are distributed as follows:

01 Out of current authorizations.....	1,651	1,995	2,839
02 Out of prior authorizations.....	150	895	671

¹ Includes capital outlay as follows: 1967, \$9 thousand; 1968, \$9 thousand; 1969, \$9 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$58 thousand (1966 adjustments, -\$10 thousand); 1967, \$633 thousand; 1968, \$633 thousand; 1969, \$633 thousand.

The National Agricultural Library, cooperating jointly with the two other national libraries—the Library of Congress and the National Library of Medicine—provides coverage and servicing of worldwide publications in the agricultural, chemical, and biological sciences. It serves the research, extension, regulatory, and other programs of the Department and State agricultural agencies. It contains approximately 1,285,000 volumes, probably the most extensive agricultural collection in existence. Since the Library's primary purpose is to provide for research needs, substantive publications in the animal sciences, plant sciences, agricultural chemistry, agricultural engineering, soils, forestry, agricultural products, home economics, world sociology, agricultural economics and agricultural statistics are acquired and preserved. Publications are currently acquired from over 155 governments and jurisdictional entities in 50 languages on subjects ranging from apiculture to zootomy. In addition, printed information of agricultural societies, organizations, cooperatives, and general material in the field of agriculture are collected and made available for use.

Information contained in the agricultural literature is disseminated through bibliographies, loans, photocopies and reference services to agricultural colleges and universities, research institutions, Government agencies, agricultural associations, industry, individual scientists, farmers, and the general public in every part of the world.

During 1967, 258,888 separate issues of periodicals were added to the collection by purchase, gift, and exchange. During the same period 228,314 loans of books and periodicals were made and 104,915 reference questions answered.

The increase proposed for 1969 would be used to occupy and partially equip the new Library at Beltsville, Md.

Object Classification (in thousands of dollars)

Identification code 05-84-0300-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	1,304	1,513	1,530
11.3 Positions other than permanent.....	15	15	15
11.5 Other personnel compensation.....	1	4	4
Total personnel compensation.....	1,319	1,532	1,549
12.0 Personnel benefits.....	97	116	119
21.0 Travel and transportation of persons.....	10	13	13
22.0 Transportation of things.....	1	4	4
23.0 Rent, communications, and utilities.....	39	46	66
24.0 Printing and reproduction.....	46	53	53
Binding.....	126	102	102
25.1 Other services.....	398	456	694
25.2 Services of other agencies.....	109	126	514
26.0 Supplies and materials.....	10	16	16
31.0 Equipment.....	146	202	289
41.0 Grants, subsidies, and contributions.....	135	-----	-----
99.0 Total obligations.....	2,435	2,666	3,419

Personnel Summary

Total number of permanent positions.....	200	214	214
Full-time equivalent of other positions.....	3	4	4
Average number of all employees.....	170	194	194
Average GS grade.....	6.8	7.1	7.2
Average GS salary.....	\$7,455	\$8,074	\$8,154

LIBRARY FACILITIES**Program and Financing (in thousands of dollars)**

Identification code 05-84-0301-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Plans and specifications.....	93	131	69
2. Construction of facilities.....	944	4,380	1,478
Total program costs, funded.....	1,037	4,511	1,547
Change in selected resources ¹	5,293	-3,747	-1,547
10 Total obligations.....	6,331	764	-----
Financing:			
21 Unobligated balance, start of year.....	-7,095	-764	-----
24 Unobligated balance, end of year.....	764	-----	-----
40 New obligational authority (appropriation).....	-----	-----	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	6,331	764	-----
72 Obligated balance, start of year.....	65	5,566	2,018
74 Obligated balance, end of year.....	-5,566	-2,018	-----
90 Expenditures.....	830	4,312	2,018
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	830	4,312	2,018

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders: 1966, \$0; 1967, \$5,294 thousand; 1968, \$1,547 thousand; 1969, \$0.

Funds for the preparation of plans, specifications, and drawings for new facilities were appropriated in 1964.

Funds were appropriated in fiscal year 1966 for construction of new Library facilities at Beltsville, Md. The construction contract was awarded in November 1966. The cornerstone for the building was laid on September 28, 1967, and completion is scheduled for late 1968.

Object Classification (in thousands of dollars)

Identification code 05-84-0301-0-1-355	1967 actual	1968 est.	1969 est.
NATIONAL AGRICULTURAL LIBRARY			
21.0 Travel and transportation of persons.....	-----	2	-----
25.2 Services of other agencies.....	1	9	-----
31.0 Equipment.....	-----	40	-----
Total obligations, National Agricultural Library.....	1	51	-----
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24.0 Printing and reproduction.....	2	-----	-----
25.1 Other services.....	233	7	-----
31.0 Equipment.....	-----	150	-----
32.0 Lands and structures.....	6,095	556	-----
Total obligations, General Services Administration.....	6,330	713	-----
99.0 Total obligations.....	6,331	764	-----

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows: "Working capital fund." Agricultural Research Service, "Salaries and expenses (special foreign currency program)."

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

Identification code 05-84-3989-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Agricultural library services (includes Department of Agriculture and Farm Credit Administration).....	16	16	17
2. Agency for International Development (Funds appropriated to the President).....	7	100	148
10 Total program costs, funded—obligations.....	23	116	165
Financing:			
11 Receipts and reimbursements from: Federal funds.....	-23	-116	-165
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations.....	23	116	165
70 Receipts and other offsets (items 11-17) -	-23	-116	-165
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

11.1 Personnel compensation: Permanent positions.....	20	93	128
Total personnel compensation.....	20	93	128
12.0 Personnel benefits.....	2	7	9
21.0 Travel and transportation of persons.....	-----	1	2
23.0 Rent, communications, and utilities.....	-----	3	4
24.0 Printing and reproduction.....	-----	1	4
25.1 Other services.....	-----	3	7
25.2 Services of other agencies.....	1	5	7
26.0 Supplies and materials.....	-----	1	1
31.0 Equipment.....	-----	2	3
99.0 Total obligations.....	23	116	165

Personnel Summary

Total number of permanent positions.....	2	15	15
Average number of all employees.....	3	12	15
Average GS grade.....	6.8	7.1	7.2
Average GS salary.....	\$7,455	\$8,074	\$8,154

OFFICE OF MANAGEMENT SERVICES**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, [\$2,667,000] \$2,910,000. (7 U.S.C. 2201-2202, 2235; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Federal Funds—Continued**OFFICE OF MANAGEMENT SERVICES—Continued****General and special funds—Continued****SALARIES AND EXPENSES—Continued****Program and Financing (in thousands of dollars)**

Identification code 05-88-0700-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Management support activities (program costs, funded) ¹	3,289	3,403	3,551
Change in selected resources ²	20		
10 Total obligations	3,309	3,403	3,551
Financing:			
11 Receipts and reimbursements from: Federal funds	-684	-657	-641
25 Unobligated balance lapsing	41		
New obligational authority	2,667	2,746	2,910
New obligational authority:			
40 Appropriation	2,667	2,667	2,910
46 Proposed transfer from other accounts for civilian pay increases		79	
Relation of obligations to expenditures:			
10 Total obligations	3,309	3,403	3,551
70 Receipts and other offsets (items 11-17)	-684	-657	-641
71 Obligations affecting expenditures	2,626	2,746	2,910
72 Obligated balance, start of year	85	99	106
74 Obligated balance, end of year	-99	-106	-108
77 Adjustments in expired accounts	1		
90 Expenditures	2,612	2,739	2,908
Expenditures are distributed as follows:			
01 Out of current authorizations	2,527	2,640	2,802
02 Out of prior authorizations	85	99	106

¹ Includes capital outlay as follows: 1967, \$29 thousand; 1968, \$20 thousand; 1969, \$20 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$11 thousand (1967 adjustments, -\$5 thousand); 1967, \$25 thousand; 1968, \$25 thousand; 1969, \$25 thousand.

The Office of Management Services (OMS) provides consolidated and centralized management support services to several agencies and offices of the Department. It was established by Secretary's Memorandum No. 1529, dated January 29, 1963, to provide greater economy and effectiveness in the rendering of management service and advice through improved utilization of manpower and management techniques, increased specialization of professional skills, and more extensive use of timesaving equipment.

The consolidated management support functions include budget and finance, personnel and related programs, administrative services, and public information work. These functions are financed by direct appropriation to OMS, except for any agency activity performed for others on a reimbursable or advance payment basis. OMS is reimbursed for management support of these activities.

The organization structure of OMS is based upon these functions with operating divisions providing the services for the following agencies and offices: Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners, Judicial Officer, Office of Management Improvement, Office of Personnel, Office of Plant and Operations, Rural Community Development Service, Office of

Information, National Agricultural Library, Office of the General Counsel, Office of the Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, Statistical Reporting Service, and the Packers and Stockyards Administration.

Object Classification (in thousands of dollars)

Identification code 05-88-0700-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions	2,581	2,703	2,813
11.3 Positions other than permanent	23	23	26
11.5 Other personnel compensation	25	25	28
Total personnel compensation	2,629	2,751	2,867
12.0 Personnel benefits	195	208	216
21.0 Travel and transportation of persons	18	21	23
22.0 Transportation of things	1	1	1
23.0 Rent, communications, and utilities	165	199	210
24.0 Printing and reproduction	63	55	59
25.1 Other services	11	11	12
25.2 Services of other agencies	147	99	98
26.0 Supplies and materials	48	32	35
31.0 Equipment	32	26	30
99.0 Total obligations	3,309	3,403	3,551

Personnel Summary

Total number of permanent positions	362	365	375
Full-time equivalent of other positions	5	5	5
Average number of all employees	340	345	355
Average GS grade	7.0	7.1	7.1
Average GS salary	\$7,769	\$8,208	\$8,235
Average salary of ungraded positions	\$5,532	\$5,629	\$5,907

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriation as follows:
Packers and Stockyards Administration, "Salaries and expenses."

GENERAL ADMINISTRATION**General and special funds:****SALARIES AND EXPENSES**

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, and not to exceed \$5,000 for employment under 5 U.S.C. 3109, [\$4,487,000] \$4,664,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558: *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary. (7 U.S.C. 450c-450g, 2201-2206, 2210-2213; secs. 2201-2202—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (7 U.S.C. 450b, 2220), apply to all appropriation items of the department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U.S.C. 5901; 7 U.S.C. 2231-2232, 2235; 42 U.S.C. 2000d; Department of Agriculture and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-92-0115-0-1-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Program and policy direction coordination:			
(a) Offices of the Secretary and Under Secretary	930	1,477	1,491
(b) Assistant secretaries	340	362	369

2. Budgetary and financial administration	763	885	894
3. General operations	696	756	762
4. Management improvement	186	197	199
5. Personnel administration	805	864	874
6. Regulatory hearings and decisions	246	258	262
Total program costs, funded ¹	3,966	4,799	4,851
Change in selected resources ²	9		
10 Total obligations	3,975	4,799	4,851
Financing:			
11 Receipts and reimbursements from: Federal funds: For emergency preparedness functions	-211	-185	-187
25 Unobligated balance lapsing	288		
New obligational authority	4,052	4,614	4,664
New obligational authority:			
40 Appropriation	4,052	4,487	4,664
46 Proposed transfer from other accounts for civilian pay increases		127	
Relation of obligations to expenditures:			
10 Total obligations	3,975	4,799	4,851
70 Receipts and other offsets (items 11-17)	-211	-185	-187
71 Obligations affecting expenditures	3,764	4,614	4,664
72 Obligated balance, start of year	178	196	242
74 Obligated balance, end of year	-196	-242	-247
77 Adjustments in expired accounts	-17		
90 Expenditures	3,728	4,568	4,659
Expenditures are distributed as follows:			
01 Out of current authorizations	3,728	4,372	4,417
02 Out of prior authorizations		196	242

¹ Includes capital outlay as follows: 1967, \$22 thousand; 1968, \$20 thousand; 1969, \$20 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$4 thousand (1967 adjustment -\$12 thousand); 1967, \$1 thousand; 1968, \$1 thousand; 1969, \$1 thousand.

General administration covers the overall planning, coordination, and administration of the department's programs. Also included are certain services on a departmentwide basis.

2. *Budgetary and financial administration.*—This covers departmental budgetary and financial management; policies and procedures are promulgated, and programs and legislative proposals are evaluated for budgetary, financial, and related implications.

3. *General operations.*—These embrace departmental policies and procedures for real and personal property, and supply activities. Departmentwide central services of mail distribution, telephone, telegraph, reproduction, and supply are furnished.

4. *Management improvement.*—This covers the coordination and direction of the development of new and improved management techniques, acquisition and utilization of data processing equipment, development of methods of measuring the effectiveness of program operations, records management, and the application of operations research techniques to the administrative, program, and scientific activities of the department.

5. *Personnel administration.*—This covers general direction, leadership, and coordination of the personnel management program of the department. Departmental policies and procedures are issued and the office coordinates a review program to evaluate the effectiveness of agency personnel programs. The cost reduction and related management improvement programs for the department are also administered by this office.

6. *Regulatory hearings and decisions.*—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the department or on petitions filed by private parties asking relief from some action of the department. Final administrative decisions in regulatory proceedings are rendered by the judicial officer. "Agriculture Decisions" is published monthly.

Object Classification (in thousands of dollars)

Identification code 05-92-0115-0-1-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions	3,108	3,802	3,850
11.3 Positions other than permanent	32	15	15
11.5 Other personnel compensation	21	20	20
Total personnel compensation	3,161	3,837	3,885
12.0 Personnel benefits	234	293	297
21.0 Travel and transportation of persons	147	173	173
22.0 Transportation of things	5	4	4
23.0 Rent, communications, and utilities	112	111	111
24.0 Printing and reproduction	126	115	115
25.1 Other services	26	59	59
25.2 Services of other agencies	107	163	163
26.0 Supplies and materials	38	32	32
31.0 Equipment	19	12	12
99.0 Total obligations	3,975	4,799	4,851

Personnel Summary

Total number of permanent positions	304	331	331
Full-time equivalent of other positions	2	1	1
Average number of all employees	276	316	316
Average GS grade	7.5	7.6	7.6
Average GS salary	\$8,713	\$9,360	\$9,376
Average salary of ungraded positions	\$5,990	\$6,448	\$6,470

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows: Agricultural Research Service, "Salaries and expenses."

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

Identification code 05-92-4609-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
1. Supply and other central services:			
(a) Cost of goods sold	513	513	513
(b) Other	926	1,120	1,120
2. Reproduction services:			
(a) Cost of goods sold	354	359	359
(b) Other	848	887	887
3. Motion picture, photographic, and other visual information services:			
(a) Cost of goods sold	168	170	176
(b) Other	1,752	1,694	1,776
4. Automatic data processing services: Cost of service	3,829	3,985	4,009
5. Planning, evaluation, and programming services: Cost of service	413		
Total operating costs, funded	8,802	8,728	8,840

Federal Funds—Continued**GENERAL ADMINISTRATION—Continued****Intragovernmental funds—Continued****WORKING CAPITAL FUND—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-92-4609-0-4-355	1967 actual	1968 est.	1969 est.
Program by activities—Continued			
Capital outlay, funded: Purchase of equipment:			
1. Supply and other central services	-8	-----	-----
2. Reproduction services	4	53	53
3. Motion picture, photographic, and other visual information services	90	135	60
4. Automatic data processing services	68	15	15
5. Planning, evaluation, and programming services	2	-----	-----
Total capital outlay, funded	156	203	128
Total program costs, funded	8,958	8,931	8,968
Change in selected resources ¹	-49	-----	-----
10 Total obligations	8,909	8,931	8,968
Financing:			
Receipts and reimbursements from:			
11 Federal funds: Revenue:			
Supply and other central services	-1,464	-1,638	-1,638
Reproduction services	-1,263	-1,250	-1,250
Motion picture, photographic, and other visual information services	-1,856	-1,796	-1,885
Automatic data processing services	-3,789	-4,002	-4,039
Planning, evaluation, and programming services	-429	-----	-----
Proceeds from sale of fixed assets	-6	-----	-----
Increase in unfilled customers orders	-69	-----	-----
14 Non-Federal sources: Revenue:			
Supply and other central services	-4	-----	-----
Reproduction services	-25	-24	-24
Motion picture, photographic, and other visual information services	-106	-108	-108
21.98 Unobligated balance available, start of year	-1,229	-1,331	-1,218
24.98 Unobligated balance available, end of year	1,331	1,218	1,194
New obligational authority	-----	-----	-----
Relation of obligations to expenditures:			
10 Total obligations	8,909	8,931	8,968
70 Receipts and other offsets (items 11-17)	-9,011	-8,818	-8,944
71 Obligations affecting expenditures	-102	113	24
72.98 Receivables in excess of obligations, start of year	-828	-942	-713
74.98 Receivables in excess of obligations, end of year	942	713	802
90 Expenditures	11	-116	113
Expenditures are distributed as follows:			
02 Out of prior authorizations	11	-116	113

¹ Balances of selected resources are identified in the statement of financial condition.

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating, photographic, and other visual information services, art and graphics, motion picture, tabulating, supply, library photocopy and microfilming services, civil defense activities, interagency employee training programs, mail and messenger services, and the centralized automatic data processing system for payroll, financial management, and other services. The capital consists of \$400,000 appropriated (5 U.S.C. 542-1) and \$584,000 donated assets, as of June 30, 1967. Earnings are retained to furnish adequate working capital.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Supply and other central services:			
Revenue	1,468	1,638	1,638
Expense	-1,445	-1,638	-1,638
Net operating income, other central services program	23	-----	-----
Reproduction services:			
Revenue	1,288	1,274	1,274
Expense	-1,228	-1,274	-1,274
Net operating income, reproduction services program	60	-----	-----
Motion picture, photographic, and other visual information services:			
Revenue	1,962	1,904	1,993
Expense	-1,953	-1,904	-1,993
Net operating income, motion picture, photographic, and other visual information services program	9	-----	-----
Automatic data processing services:			
Revenue	3,789	4,002	4,039
Expense	-3,857	-4,015	-4,039
Net operating loss, automatic data processing services	-69	-13	-----
Planning, evaluation, and programming services:			
Revenue	429	-----	-----
Expense	429	-----	-----
Net operating income or loss, planning, evaluation, and programming services	-----	-----	-----
Nonoperating income or loss (-):			
Proceeds from sale of equipment	6	-----	-----
Net book value of assets sold	-3	-----	-----
Net nonoperating income	3	-----	-----
Net income for the year	25	-----	-----
Analysis of retained earnings:			
Retained earnings, start of year	404	430	417
Retained earnings, end of year	430	417	417

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance	401	390	505	392
Accounts receivable, net	1,278	1,314	1,175	1,232
Selected assets: ¹				
Advances	7	10	10	10
Commodities for sale	275	279	279	279
Supplies, deferred charges, etc.	112	80	80	80
Fixed assets, net	499	540	639	665
Total assets	2,571	2,613	2,688	2,658

Liabilities:				
Accounts payable and accrued liabilities.....	1,184	1,200	1,288	1,258
Government equity:				
Non-interest-bearing capital:				
Start of year.....	960	983	983	983
Donated assets, net.....	23	1	-----	-----
End of year.....	983	983	983	983
Retained earnings.....	404	430	417	417
Total Government equity..	1,387	1,413	1,400	1,400

Analysis of Government Equity

Unpaid undelivered orders ¹	297	273	273	273
Unobligated balance.....	1,229	1,331	1,218	1,194
Unfilled customers orders.....	-1,032	-1,101	-1,099	-1,101
Invested capital and earnings....	893	910	1,008	1,034
Total Government equity..	1,387	1,413	1,400	1,400

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

Identification code 05-92-4609-0-4-355				
	1967 actual	1968 est.	1969 est.	
Personnel compensation:				
11.1 Permanent positions.....	3,948	3,947	4,006	
11.3 Positions other than permanent.....	247	311	311	
11.5 Other personnel compensation.....	113	108	108	
11.8 Special personal service payments....	43	-----	-----	
Total personnel compensation....	4,351	4,366	4,425	
12.0 Personnel benefits.....	316	320	325	
21.0 Travel and transportation of persons..	73	63	63	
22.0 Transportation of things.....	34	44	47	
23.0 Rent, communications, and utilities....	441	440	440	
24.0 Printing and reproduction.....	186	168	171	
25.1 Other services.....	1,322	1,314	1,329	
25.2 Services of other agencies.....	866	884	875	
26.0 Supplies and materials.....	1,186	1,151	1,159	
31.0 Equipment.....	133	174	134	
42.0 Insurance claims and indemnities.....	-----	7	-----	
99.0 Total obligations.....	8,909	8,931	8,968	

Personnel Summary

Total number of permanent positions.....	617	583	583
Full-time equivalent of other positions.....	61	82	82
Average number of all employees.....	607	633	633
Average GS grade.....	6.3	5.9	5.9
Average GS salary.....	\$7,426	\$7,497	\$7,561
Average salary of ungraded positions.....	\$6,001	\$6,457	\$6,479

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-92-3900-0-4-355			
	1967 actual	1968 est.	1969 est.
Program by activities:			
Miscellaneous services to other accounts:			
(a) Department of Agriculture.....	85	70	71
(b) Other agencies.....	77	94	82
10 Total program costs, funded—obligations.....	162	164	153
Financing:			
11 Receipts and reimbursements from: Federal funds.....	-162	-164	-153
New obligational authority.....	-----	-----	-----

Relation of obligations to expenditures:

10 Total obligations.....	162	164	153
70 Receipts and other offsets (items 11-17).....	-162	-164	-153
71 Obligations affecting expenditures.....	-----	-----	-----
90 Expenditures.....	-----	-----	-----

Object Classification (in thousands of dollars)

Personnel compensation:			
11.1 Permanent positions.....	100	108	97
11.5 Other personnel compensation.....	4	-----	-----
Total personnel compensation....	104	108	97
12.0 Personnel benefits.....	7	7	7
21.0 Travel and transportation of persons..	32	29	29
24.0 Printing and reproduction.....	1	1	1
25.1 Other services.....	2	-----	-----
25.2 Services of other agencies.....	15	13	13
26.0 Supplies and materials.....	1	6	6
99.0 Total obligations.....	162	164	153

Personnel Summary

Total number of permanent positions.....	9	8	8
Average number of all employees.....	9	8	8
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$8,713	\$9,360	\$9,376
Average salary of ungraded positions.....	\$5,990	\$6,448	\$6,470

FOREST SERVICE

The Service carries on three primary functions: (a) protection, development, and use of about 187 million acres of land in national forests and national grasslands in the United States and Puerto Rico; (b) forestry research for all public and private forest lands and related ranges to improve protection from fire, insects, and diseases; to increase production of timber, forage, water, and other products; to improve methods for developing and managing recreation resources; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey; and (c) cooperation with States and private landowners to obtain better fire protection on approximately 516 million acres of forest land and nonforest watersheds; to provide technical advice and financial assistance to promote development, improvement, and expansion of forest pest detection and suppression programs; to improve forest practices on about 367 million acres of privately owned commercial timberlands; and to encourage reforestation and stimulate development and management of State, county, and community forests.

These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land acquisition and exchange, and a number of cooperative projects.

General and special funds:

FOREST PROTECTION AND UTILIZATION

For expenses necessary for forest protection and utilization, as follows:

Forest land management: For necessary expenses of the Forest Service, not otherwise provided for, including the administration, improvement, development, and management of lands under Forest Service administration, fighting and preventing forest fires on or threatening such lands and for liquidation of obligations incurred in the preceding fiscal year for such purposes, control of white pine blister rust and other forest diseases and insects on Federal and non-

Federal Funds—Continued**FOREST SERVICE—Continued****General and special funds—Continued****FOREST PROTECTION AND UTILIZATION—Continued**

Federal lands; [\$185,618,000] \$189,175,000, of which [\$5,000,000] \$4,275,000 for fighting and preventing forest fires and \$1,910,000 for insect and disease control shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary under the then existing conditions: *Provided*, That not more than [\$2,480,000] \$1,800,000 of this appropriation may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U.S.C. 513-519): *Provided further*, That funds appropriated for "Cooperative range improvements", pursuant to section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), may be advanced to this appropriation.

Forest research: For forest research at forest and range experiment stations, the Forest Products Laboratory, or elsewhere, as authorized by law; [\$41,257,000, and in addition \$400,000 to be derived by transfer from the appropriation "Timber Development Organization Loans and Technical Assistance", Forest Service] \$40,127,000.

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; [\$19,751,000] \$19,847,000. (7 U.S.C. 428a, 1010-1012, 1621-1627, 2201-2202, 2250; 16 U.S.C. 207c, 471-583i, 594-1-594-5, 594a, 1004-1005; 30 U.S.C. 601-604, 611-615; 31 U.S.C. 534; 42 U.S.C. 1891-1893; 43 U.S.C. 1181h-1181j; 36 Stat. 557-579; 67 Stat. 633; Department of the Interior and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-96-1100-0-1-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Forest land management:			
(a) National forest protection and management.....	152,182	157,065	163,452
(b) Water resource development related activities.....	6,260	7,793	8,301
(c) Fighting forest fires.....	31,622	5,000	4,275
(d) Insect and disease control.....	11,201	11,775	11,954
(e) Acquisition of lands.....	3,237	1,802	2,010
Total, forest land management.....	204,502	183,440	189,992
2. Forest research:			
(a) Forest and range management.....	14,883	15,700	16,326
(b) Forest protection.....	9,000	9,574	10,015
(c) Forest products and engineering.....	6,943	7,680	8,160
(d) Forest resource economics.....	4,602	4,722	5,326
(e) Forest research construction.....	5,707	2,766	3,175
Total, forest research.....	41,135	40,442	43,002
3. State and private forestry cooperation:			
(a) Forest fire control.....	13,358	14,184	14,367
(b) Forest tree planting.....	307	302	303
(c) Forest management and processing.....	3,522	3,557	3,561
(d) General forestry assistance.....	1,302	1,587	1,616
Total, State and private forestry cooperation.....	18,489	19,630	19,847
Total program costs, funded ¹	264,126	243,512	252,841
Change in selected resources ²	-3,307	1,949	-2,992
10 Total obligations.....	260,819	245,461	249,849
Financing:			
Receipts and reimbursements from:			
11 Federal funds: Cooperative range improvements.....	-700	-700	-700
13 Trust funds: Cooperative work, Forest Service.....	-800		

22 Unobligated balance transferred from other accounts.....	-400		
25 Unobligated balance lapsing.....	680	1,985	
New obligational authority.....	259,998	246,346	249,149
New obligational authority:			
40 Appropriation.....	260,425	246,626	249,149
41 Transferred to other accounts.....	-427	-280	
43 Appropriation (adjusted).....	259,998	246,346	249,149
Relation of obligations to expenditures:			
10 Total obligations.....	260,819	245,461	249,849
70 Receipts and other offsets (items 11-17).....	-1,500	-700	-700
71 Obligations affecting expenditures.....	259,319	244,761	249,149
72 Obligated balance, start of year.....	36,702	33,993	40,477
74 Obligated balance, end of year.....	-33,993	-40,477	-31,716
77 Adjustments in expired accounts.....	-11		
90 Expenditures.....	262,017	238,277	257,910
Expenditures are distributed as follows:			
01 Out of current authorizations.....	229,115	204,284	217,321
02 Out of prior authorizations.....	32,902	33,993	40,589

¹ Includes capital outlay as follows: 1967, \$43,605 thousand; 1968, \$45,000 thousand; 1969, \$80,000 thousand.

² Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Stores.....	3,264	3,131	3,150	3,150
Unpaid undelivered orders.....	27,527	-242	24,173	26,100
Advances.....	779	717	720	720
Total selected resources.....	31,570	-242	28,021	29,970

1. *Forest land management.*—(a) *National forest protection and management.*—The 154 national forests and 19 units of national grasslands are managed under multiple use and sustained yield principles. The natural resources of outdoor recreation, range, timber, watershed, and wildlife are utilized in a planned combination that will best meet the needs of the Nation without impairing productivity of the land. These management and utilization principles were recognized in the Multiple Use-Sustained Yield Act of June 12, 1960 (74 Stat. 215). Work programs and budget estimates are related to the development program for the national forests, a plan to meet the increasing demands for specific national forest resource needs through 1972 and for long-term objectives to the year 2000. Increases are provided in the budget to further attainment of these program objectives. Construction funds of \$17.5 million are budgeted for construction or rehabilitation of campground and picnic facilities and other recreation improvements, the construction of dwellings or barracks for employee housing, fire lookouts, service and storage buildings, communication facilities, and other improvements. Funds appropriated under cooperative range improvements are merged with this appropriation for obligational purposes.

MAIN WORKLOAD FACTORS

Description	1967 actual	1968 estimate	1969 estimate
Area administered and protected:			
(a) National forest lands (acres).....	182,836,699	182,850,000	183,000,000
(b) National grasslands (acres).....	3,808,059	3,805,031	3,805,031
(c) Land utilization projects (acres).....	156,906	158,613	158,613
Timber managed and protected (billion board feet).....			
.....	1,172	1,173	1,174
Timber sales (number).....	110,815	111,000	112,000
Timber harvested (billion board feet).....	10.9	12.7	12.7
Grazing use permits (calendar year).....	58,700	58,700	58,700
Estimated number of livestock on national forest ranges (including calves and lambs).....			
.....	7,000,000	7,000,000	7,000,000
Special use permits, excluding recreation (number).....			
.....	40,500	41,500	42,600

Recreation special use permits (number)-----	23, 200	23, 300	23, 400
Estimated number of visitor days to national forests (calendar year)----	166, 000, 000	183, 000, 000	200, 000, 000
Tree planting and seeding (acres)-----	115, 981	112, 400	109, 400
Timber stand improvement (acres treated)-----	194, 033	147, 000	125, 000
Range reseeding and removal of competing vegetation (acres)-----	207, 000	207, 000	220, 000
Receipts (in thousands of dollars):			
Timber sales-----	172, 789	185, 400	189, 300
Grazing and power-----	3, 703	3, 705	3, 705
Recreation-----	2, 086	2, 100	2, 125
Admission and user fees-----	660	660	675
Land uses-----	3, 427	3, 420	3, 430
National grasslands and land utilization-----	1, 853	1, 885	1, 885
Total receipts-----	184, 517	197, 170	201, 120

(b) *Water resource development related activities.*—This activity provides for the development of recreational facilities and for other activities required by water resource projects of other agencies located within or adjacent to the national forests.

(c) *Fighting forest fires.*—This provides for employment of additional manpower and other facilities for forest fire emergencies which cannot be met by the fire control organization provided under national forest protection and management. Costs above the amounts estimated for the current and budget years are authorized to be met from advances from other Forest Service appropriations. In addition, a supplemental appropriation for fighting forest fires is anticipated for 1968 under Proposed for later transmission.

	Calendar year		
	1966 actual	1967 estimate	1968 estimate
Forest fires controlled (number)-----	11, 245	11, 800	10, 920
Area burned (acres)-----	332, 921	209, 000	168, 000

(d) *Insect and disease control.*—Activities to suppress and control destructive insects and diseases that threaten timber areas include two types of work carried on jointly by Federal, State, and private agencies: (1) Surveys on forest lands to detect and evaluate infestations of forest insects and infections of tree diseases and determination of protective measures to be taken, and (2) control operations to suppress or eradicate forest insects and diseases, including white pine blister rust.

(e) *Acquisition of lands.*—Lands are purchased to protect the watersheds of navigable streams and to increase the production of timber with the approval of the National Forest Reservation Commission.

2. *Forest research.*—Research is conducted at eight regional forest experiment stations, the Forest Products Laboratory, and the Institute of Tropical Forestry.

(a) *Forest and range management.*—This research provides private and public land managers and owners with a sound basis for management of timber, forage, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage for domestic livestock and improve habitat for wildlife without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce floods and sedimentation; and improve methods for developing and managing recreation resources.

(b) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. Forest fire research provides

improved methods of predicting fire danger, and preparing for and combating fire by combinations of ground and aerial methods. Insect and disease research develops direct controls, silvicultural measures, and biological agents to combat forest pests.

(c) *Forest products and engineering.*—Studies are conducted to develop new and improved forest products, reduction and utilization of waste, and use of low-quality wood and less-desirable species. They include studies to reduce costs of logging and wood utilization, and to develop basic knowledge of wood and disseminate this to forest owners, manufacturers, fabricators, and consumers. Research is also conducted to advance the mechanization and efficiency of forestry operations, and to develop and evaluate machines and similar equipment for such operations as logging, planting, timber-stand improvement, and protection of forests.

(d) *Forest resource economics.*—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, and the potential need for timber products. Studies of the economics of forest crop production and of marketing of forest products are also included.

3. *State and private forestry cooperation.*—These programs are carried on with the States, with other public agencies, and with private agencies and individuals. Their purposes are to improve forest management on private and non-Federal public lands, and improve the production of forest products and services. By so doing, the welfare of rural people will improve and an adequate supply of forest resources for the future will be assured. The privately owned forest lands that are involved comprise three-fourths of the Nation's commercial forest area and produce about 75% of all timber cut.

(a) *Forest fire control.*—Assistance is furnished 50 States in preventing and suppressing forest fires on private and State-owned lands by financial aid, training, procurement of equipment, and a nationwide fire prevention campaign. About 91% of the 516 million acres of non-Federal ownership planned for protection is now covered. During 1966 the acreage burned on protected areas was 0.28% as against an estimated 2.99% on unprotected lands. Of the total expenditures under this program, 83.6% is contributed by States and counties, 1.5% by private owners, and 14.9% by the Federal Government.

(b) *Forest tree planting.*—To encourage woodland owners to reforest unproductive portions of their holdings, and farmers to plant wind barriers around their fields and farmsteads—a total of more than 70 million acres altogether—the States provide planting stock at reasonable prices. The Federal Government shares the cost of producing the stock with the State and private landowners.

(c) *Forest management and processing.*—In cooperation with 49 States, Puerto Rico, and the Virgin Islands, technical assistance is given to woodland owners in applying good multiple-use management to their forest holdings. Also, assistance is provided operators of small primary forest products manufacturing plants to improve their production and marketing. In 1967, 119,000 owners and 11,500 processors were assisted.

(d) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

Federal Funds—Continued**FOREST SERVICE—Continued****General and special funds—Continued****FOREST PROTECTION AND UTILIZATION—Continued****Object Classification (in thousands of dollars)**

Identification code 05-96-1100-0-1-402	1967 actual	1968 est.	1969 est.
FOREST SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	103,953	111,846	117,936
11.3 Positions other than permanent.....	27,384	25,392	27,120
11.5 Other personnel compensation.....	7,250	2,927	2,600
11.8 Special personal service payments....	2,973	450	350
Total personnel compensation.....	141,560	140,615	148,006
12.0 Personnel benefits.....	11,089	11,702	12,418
13.0 Benefits for former personnel.....	2		
21.0 Travel and transportation of persons..	6,953	6,798	7,000
22.0 Transportation of things.....	9,485	8,212	8,250
23.0 Rent, communications, and utilities....	5,650	4,954	5,000
24.0 Printing and reproduction.....	1,617	1,673	1,700
25.1 Other services.....	21,511	16,799	11,667
25.2 Services of other agencies.....	9,805	3,771	3,800
26.0 Supplies and materials.....	15,560	12,491	13,000
31.0 Equipment.....	5,896	5,254	5,500
32.0 Lands and structures.....	12,145	12,585	15,000
33.0 Investments and loans.....	1	1	1
41.0 Grants, subsidies, and contributions....	17,001	18,520	18,500
42.0 Insurance claims and indemnities.....	158	72	75
Subtotal.....	258,433	243,447	249,917
95.0 Quarters and subsistence charges.....	-1,397	-1,293	-1,300
Total obligations, Forest Service....	257,036	242,154	248,617

ALLOTMENT ACCOUNTS

Personnel compensation:			
11.1 Permanent positions.....	288	316	325
11.3 Positions other than permanent.....	312	398	405
11.5 Other personnel compensation.....	14	9	9
Total personnel compensation.....	614	723	739
12.0 Personnel benefits.....	35	42	45
21.0 Travel and transportation of persons..	97	107	97
22.0 Transportation of things.....	28	32	31
23.0 Rent, communications, and utilities....	10	12	12
24.0 Printing and reproduction.....	9	10	2
25.1 Other services.....	691	361	176
25.2 Services of other agencies.....	79	32	35
26.0 Supplies and materials.....	45	55	63
31.0 Equipment.....	28	28	32
32.0 Lands and structures.....	2,048	1,905	
41.0 Grants, subsidies, and contributions....	99		
Total obligations, allotment accounts.....	3,783	3,307	1,232
99.0 Total obligations.....	260,819	245,461	249,849

Obligations are distributed as follows:			
Department of Agriculture, Forest Service..	257,036	242,154	248,617
Department of the Interior.....	1,123	1,201	1,232
General Services Administration.....	2,660	2,106	

Personnel Summary

FOREST SERVICE			
Total number of permanent positions.....	13,955	13,140	13,450
Full-time equivalent of other positions.....	6,255	5,643	5,769
Average number of all employees.....	19,017	18,401	18,827
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions.....	\$6,265	\$6,364	\$6,364

ALLOTMENT ACCOUNTS

Total number of permanent positions.....	50	53	53
Full-time equivalent of other positions.....	66	73	73
Average number of all employees.....	103	115	115
Average GS grade.....	8.2	8.0	8.0
Average GS salary.....	\$8,485	\$8,415	\$8,601

Proposed for separate transmittal, existing legislation:

FOREST PROTECTION AND UTILIZATION**Program and Financing (in thousands of dollars)**

Identification code 05-96-1100-1-1-402	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Forest land management: Fighting forest fires (costs—obligations).....		41,000	
Financing:			
40 New obligational authority (proposed supplemental appropriation).....		41,000	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....		41,000	
72 Obligated balance, start of year.....			2,000
74 Obligated balance, end of year.....		-2,000	
90 Expenditures.....		39,000	2,000
Expenditures are distributed as follows:			
01 Out of current authorizations.....		39,000	
02 Out of prior authorizations.....			2,000

A supplemental appropriation of \$41 million for 1968 is anticipated for fighting forest fires.

COOPERATIVE RANGE IMPROVEMENTS

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests in accordance with section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), to be derived from grazing fees as authorized by said section, \$700,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-96-5207-0-2-402	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Advanced to forest protection and utilization (costs—obligations) (object class 25.3).....	700	700	700
Financing:			
40 New obligational authority (appropriation) (special fund).....	700	700	700
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	700	700	700
90 Expenditures.....	700	700	700
Expenditures are distributed as follows:			
01 Out of current authorizations.....	700	700	700

Part of the grazing fees from the national forests, when appropriated, are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock watering facilities, bridges, corrals, and driveways. These funds are advanced to and merged with the appropriation Forest protection and utilization, subappropriation Forest land management.

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For expenses necessary for carrying out the provisions of title 23, United States Code, sections 203 and 205, relating to the construction and maintenance of forest development roads and trails, \$110,000,000; \$91,970,000, to remain available until expended, for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203: *Provided*, That funds available under the Act of March 4, 1913 (16 U.S.C. 501), shall be merged with and made a part of this appropriation: *Provided further*, That not less than the amount made available under the provisions of the Act of March 4, 1913, shall be expended under the provisions of such Act. (7 U.S.C. 2250; 23 U.S.C. 125; 78 Stat. 397, 1089; 79 Stat. 132; 80 Stat. 766; Department of the Interior and Related Agencies Appropriation Act, 1968.)

Program and Financing (in thousands of dollars)

Identification code 05-96-2262-0-1-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Construction of roads and trails...	80,811	107,856	91,290
2. Maintenance of roads and trails...	37,705	20,843	20,900
Total program costs, funded ¹ ...	118,516	128,699	112,190
Change in selected resources ² ...	793	-4,597	-----
10 Total obligations.....	119,309	124,102	112,190
Financing:			
11 Receipts and reimbursements from:			
Federal funds.....	-16,778	-17,566	-18,800
21.49 Unobligated balance available, start of year: Contract authorization.....	-102,523	-169,992	-233,456
24.49 Unobligated balance available, end of year: Contract authorization.....	169,992	233,456	265,066
New obligatory authority.....	170,000	170,000	125,000
New obligatory authority:			
49 Current contract authorization (80 Stat. 766 and 23 U.S.C. 203).....	170,000	-----	125,000
69 Permanent contract authorization (80 Stat. 766 and 23 U.S.C. 203).....	-----	170,000	-----
Relation of obligations to expenditures:			
10 Total obligations.....	119,309	124,102	112,190
70 Receipts and other offsets (items 11-17).....	-16,778	-17,566	-18,800
71 Obligations affecting expenditures.....	102,531	106,536	93,390
Obligated balance, start of year:			
Cash.....	10,077	8,807	6,185
Contract authorization.....	35,333	36,634	33,170
Obligated balance, end of year:			
Cash.....	-8,807	-6,185	-----
Contract authorization.....	-36,634	-33,170	-34,590
90 Expenditures.....	102,500	112,622	98,155
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	102,500	112,622	98,155
Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance, start of year.....	137,856	206,626	266,626
Contract authorization.....	170,000	170,000	125,000
Unfunded balance, end of year.....	-206,626	-266,626	-299,656
Appropriation to liquidate contract authorization.....	101,230	110,000	91,970

¹ Includes capital outlay as follows: 1967, \$67,013 thousand; 1968, \$85,000 thousand; 1969, \$80,000 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$33,809 thousand (1967 adjustment, -\$5 thousand); 1967, \$34,597 thousand; 1968, \$30,000 thousand; 1969, \$30,000 thousand.

Roads and trails are essential to protection and management of national forests and utilization of their resources.

The Federal-Aid Highway Act of 1966 provided authorization of \$170 million each for 1968 and 1969. This budget

provides utilization of \$93.4 million of the authorization. The 1969 program will involve the construction and reconstruction of about 910 miles of general purpose and recreation roads and timber access roads to harvest national forest timber. This compares with 1,482 miles built in 1967 and 1,504 miles being built in 1968.

Of the revenues received annually from national forest activities, 10% is available under the permanent appropriation Roads and trails for States, for construction and maintenance within the State from which such proceeds are derived. Such amounts are merged with this appropriation for obligational purposes.

Object Classification (in thousands of dollars)

Identification code 05-96-2262-0-1-402	1967 actual	1968 est.	1969 est.
FOREST SERVICE			
Personnel compensation:			
11.1 Permanent positions.....	29,853	32,087	29,265
11.3 Positions other than permanent.....	12,607	13,521	12,135
11.5 Other personnel compensation.....	910	1,081	1,036
11.8 Special personal service payments.....	-----	1	1
Total personnel compensation.....	43,370	46,690	42,437
12.0 Personnel benefits.....	3,378	3,858	3,440
21.0 Travel and transportation of persons.....	1,962	2,089	2,085
22.0 Transportation of things.....	3,558	3,642	3,130
23.0 Rent, communications, and utilities.....	1,875	1,913	2,106
24.0 Printing and reproduction.....	350	439	290
25.1 Other services.....	16,429	17,621	15,685
25.2 Services of other agencies.....	1,333	1,438	985
26.0 Supplies and materials.....	5,271	5,844	5,216
31.0 Equipment.....	1,875	1,981	1,043
32.0 Lands and structures.....	39,070	38,118	35,053
42.0 Insurance claims and indemnities.....	37	23	15
44.0 Refunds.....	72	147	-----
Subtotal.....	118,580	123,803	111,485
95.0 Quarters and subsistence charges.....	-266	-265	-250
Total obligations, Forest Service.....	118,314	123,538	111,235
ALLOTMENT TO TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION			
Personnel compensation:			
11.1 Permanent positions.....	84	88	89
11.3 Positions other than permanent.....	19	19	19
11.5 Other personnel compensation.....	7	7	7
Total personnel compensation.....	110	114	115
12.0 Personnel benefits.....	7	7	7
21.0 Travel and transportation of persons.....	47	47	47
22.0 Transportation of things.....	10	10	10
23.0 Rent, communications, and utilities.....	6	6	6
24.0 Printing and reproduction.....	1	1	1
25.1 Other services.....	3	3	3
25.2 Services of other agencies.....	105	105	105
26.0 Supplies and materials.....	1	1	1
32.0 Lands and structures.....	706	270	660
Total obligations, Transportation, Federal Highway Administration.....	995	564	955
99.0 Total obligations.....	119,309	124,102	112,190

Personnel Summary

FOREST SERVICE			
Total number of permanent positions.....	4,213	4,013	3,367
Full-time equivalent of other positions.....	2,556	2,843	2,463
Average number of all employees.....	6,454	6,740	5,733
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions.....	\$6,265	\$6,364	\$6,364

Federal Funds—Continued**FOREST SERVICE—Continued****General and special funds—Continued****FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued****Personnel Summary—Continued**

	1967 actual	1968 est.	1969 est.
ALLOTMENT TO TRANSPORTATION, FEDERAL HIGHWAY ADMINIS- TRATION			
Total number of permanent positions.....	12	12	12
Full-time equivalent of other positions.....	4	4	4
Average number of all employees.....	16	16	16
Average GS grade.....	9.2	9.3	9.3
Average GS salary.....	\$10,145	\$10,881	\$11,082

ACQUISITION OF LANDS FOR NATIONAL FORESTS**SPECIAL ACTS**

For acquisition of land to facilitate the control of soil erosion and flood damage originating within the exterior boundaries of the following national forests, in accordance with the provisions of the following Acts, authorizing annual appropriations of forest receipts for such purposes, and in not to exceed the following amounts from such receipts, Cache National Forest, Utah, Act of May 11, 1938 (52 Stat. 347), as amended, \$20,000; Uinta and Wasatch National Forests, Utah, Act of August 26, 1935 (49 Stat. 866), as amended, \$20,000; Toiyabe National Forest, Nevada, Act of June 25, 1938 (52 Stat. 1205), as amended, \$8,000; Angeles National Forest, California, Act of June 11, 1940 (54 Stat. 299), \$32,000; in all, \$80,000: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of the national forests and/or for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1968.*)

Amounts Available for Appropriation (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Unappropriated balance, start of year.....	—1	-----	-----
Receipts.....	56	30	80
Unobligated balances returned to unappropriated receipts.....	25	50	-----
Total available for appropriation.....	80	80	80
Appropriation (special acts).....	—80	—80	—80
Unappropriated balance, end of year.....	-----	-----	-----

Program and Financing (in thousands of dollars)

Identification code 05-96-5208-0-2-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Cache National Forest, Utah.....	28	28	20
2. Uinta and Wasatch National Forests, Utah.....	20	14	20
3. Toiyabe National Forest, Nev.....	8	8	8
4. Angeles National Forest, Calif.....	-----	-----	32
5. Sequoia National Forest, Calif.....	17	-----	-----
Total program costs, funded ¹	73	50	80
Change in selected resources ²	—17	—20	-----
10 Total obligations.....	56	30	80
Financing:			
25 Unobligated balance lapsing.....	24	50	-----
40 New obligational authority (appropriation) (special fund).....	80	80	80

Relation of obligations to expenditures:

71 Total obligations (affecting expenditures)	56	30	80
72 Obligated balance, start of year.....	64	58	26
74 Obligated balance, end of year.....	—58	—26	—26
77 Adjustment in expired account.....	—1	-----	-----
90 Expenditures.....	62	62	80

Expenditures are distributed as follows:

01 Out of current authorizations.....	17	4	54
02 Out of prior authorizations.....	45	58	26

¹ Includes capital outlay as follows: 1967, \$57 thousand; 1968, \$50 thousand; 1969, \$60 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$58 thousand (1967 adjustment, —\$1 thousand); 1967, \$40 thousand; 1968, \$20 thousand; 1969, \$20 thousand.

On the basis of agreements with certain counties in Utah, Nevada, and California, National Forest receipts, including the portions which would normally be paid to county road and school funds, are used for purchase by the Government of privately owned lands within the National Forests to aid in the control of soil erosion and flood damage.

Object Classification (in thousands of dollars)

Identification code 05-96-5208-0-2-402	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	8	-----	8
11.3 Positions other than permanent.....	1	-----	-----
Total personnel compensation.....	9	-----	8
12.0 Personnel benefits.....	1	-----	1
25.1 Other services.....	1	1	1
26.0 Supplies and materials.....	1	-----	-----
32.0 Lands and structures.....	44	29	70
99.0 Total obligations.....	56	30	80

Personnel Summary

Total number of permanent positions.....	1	0	1
Average number of all employees.....	1	0	1
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions.....	\$6,265	\$6,364	\$6,364

OTHER GENERAL FUNDS**Program and Financing (in thousands of dollars)**

Identification code 05-96-9998-0-1-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Acquisition of lands for Uinta National Forest.....	202	98	-----
2. Acquisition of lands for Wasatch National Forest.....	—169	284	-----
3. Acquisition of lands for Superior National Forest.....	55	60	-----
4. Acquisition of lands for Cache National Forest.....	18	18	-----
5. Access roads.....	317	13	-----
Total program costs, funded ¹	423	473	-----
Change in selected resources ²	—191	—221	-----
10 Total obligations.....	232	252	-----
Financing:			
21 Unobligated balance available, start of year.....	—193	—252	-----
24 Unobligated balance available, end of year.....	252	-----	-----
25 Unobligated balance lapsing.....	9	-----	-----
40 New obligational authority.....	300	-----	-----

Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	232	252	-----
72 Obligated balance, start of year	614	222	-----
74 Obligated balance, end of year	-222	-----	-----
90 Expenditures	624	474	-----

Expenditures are distributed as follows:			
02 Out of prior authorizations	624	474	-----

¹ Includes capital outlay as follows: 1967, \$415 thousand; 1968, \$465 thousand.
² Selected resources as of June 30 are as follows: Unpaid undelivered orders: 1966, \$412 thousand; 1967, \$221 thousand; 1968, \$0.

1. *Acquisition of lands for Uinta National Forest, Utah.*—Public Law 89-226, approved October 1, 1965, provided authorization for the appropriation of \$300 thousand for purchase of nonfederally owned land to promote the control of floods and the reduction of soil erosion through restoration of adequate vegetative cover. The full amount of this authorization was appropriated in fiscal year 1967. As of June 30, 1967, 8,850 acres have been approved for purchase.

2. *Acquisition of lands for Wasatch National Forest, Utah.*—Public Law 87-661, approved September 14, 1962, added some 24,000 acres to the Wasatch National Forest and authorized the appropriation of \$400 thousand for purchase of privately owned lands within the area to aid in the control of floods and reduction of soil erosion. The 1965 appropriation completed the authorization. As of June 30, 1967, approximately 10,000 acres of land had been acquired.

3. *Acquisition of lands for Superior National Forest, Minnesota.*—As of June 30, 1967, there remain approximately two cases involving land to be acquired to preserve the wilderness conditions of part of the Superior National Forest. The authorization for the purchase of land within this forest was increased to \$4.5 million by Public Law 87-351, approved October 4, 1961. The 1963 appropriation completed the authorization for acquisition of the remaining tracts.

4. *Acquisition of lands for Cache National Forest, Utah.*—Lands are acquired to enable control and minimization of soil erosion and flood damage.

5. *Access roads.*—Full or partial interest in existing roads or rights-of-way is purchased (or obtained by condemnation if purchase negotiations fail) to provide access to national forest areas where road access is a serious problem.

Object Classification (in thousands of dollars)

Identification code 05-96-9998-0-1-402	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions	6	4	-----
25.1 Other services	2	1	-----
32.0 Lands and structures	224	247	-----
99.0 Total obligations	232	252	-----

Personnel Summary

Total number of permanent positions	2	0	0
Average number of all employees	1	1	0
Average GS grade	7.5	7.6	7.6
Average GS salary	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions	\$6,265	\$6,364	\$6,364

ASSISTANCE TO STATES FOR TREE PLANTING

For expenses necessary to carry out section 401 of the Agricultural Act of 1956, approved May 28, 1956 (16 U.S.C. 568e), \$1,000,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1968.*)

Program and Financing (in thousands of dollars)

Identification code 05-96-1101-0-1-402	1967 actual	1968 est.	1969 est.
Program by activities:			
Tree planting assistance (program costs, funded)	1,008	1,045	1,000
Change in selected resources ¹	-6	-----	-----
10 Total obligations	1,002	1,045	1,000
Financing:			
21 Unobligated balance available, start of year	-47	-45	-----
24 Unobligated balance available, end of year	45	-----	-----
40 New obligational authority (appropriation)	1,000	1,000	1,000
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	1,002	1,045	1,000
72 Obligated balance, start of year	368	294	333
74 Obligated balance, end of year	-294	-333	-326
90 Expenditures	1,076	1,006	1,007
Expenditures are distributed as follows:			
01 Out of current authorizations	1,076	712	674
02 Out of prior authorizations		294	333

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders: 1966, \$222 thousand; 1967, \$216 thousand; 1968, \$216 thousand; 1969, \$216 thousand.

To carry out section 401 of the Agricultural Act of 1956, assistance is given to the State forester or other State official, through technical advice and financial contribution, to carry out tree planting and reforestation work in accordance with plans submitted by the State and approved by the Secretary of Agriculture.

Object Classification (in thousands of dollars)

Identification code 05-96-1101-0-1-402	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions	117	155	158
11.3 Positions other than permanent	1	1	1
Total personnel compensation	118	156	159
12.0 Personnel benefits	10	14	16
21.0 Travel and transportation of persons	15	16	16
22.0 Transportation of things	1	1	1
23.0 Rent, communications, and utilities	5	5	5
24.0 Printing and reproduction	3	3	3
25.1 Other services	2	2	2
25.2 Services of other agencies	4	1	1
26.0 Supplies and materials	3	3	3
41.0 Grants, subsidies, and contributions	841	844	794
99.0 Total obligations	1,002	1,045	1,000

Personnel Summary

Total number of permanent positions	15	15	15
Average number of all employees	14	15	15
Average GS grade	7.5	7.6	7.6
Average GS salary	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions	\$6,265	\$6,364	\$6,364

Federal Funds—Continued**FOREST SERVICE—Continued****General and special funds—Continued****TIMBER DEVELOPMENT ORGANIZATION LOANS AND TECHNICAL ASSISTANCE****Program and Financing (in thousands of dollars)**

Identification code 05-96-1102-0-1-507	1967 actual	1968 est.	1969 est.
Financing:			
16 Comparative transfer to other accounts...	66	-----	-----
21 Unobligated balance available, start of year	-946	-880	-----
23 Unobligated balance transferred to other accounts.....	-----	880	-----
24 Unobligated balance available, end of year	880	-----	-----
New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:			
70 Receipts and other offsets (items 11 to 17)	66	-----	-----
71 Obligations affecting expenditures...	66	-----	-----
72 Obligated balance, start of year.....	-----	4	-----
73 Obligated balance transferred to other accounts.....	-----	-4	-----
74 Obligated balance, end of year.....	-4	-----	-----
90 Expenditures.....	61	-----	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	61	-----	-----

The Appalachian Regional Development Act of 1965 authorized loans and technical assistance to individuals and groups desiring to establish private, nonprofit timber development organizations. Loans are made available under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961, which comes up to one-half of the initially required capital. Technical assistance is provided in the establishment and operation of the timber organizations.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed two hundred and [fifty-nine] twenty-five passenger motor vehicles of which one hundred and sixty [five] shall be for replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed four for replacement only; (b) employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (58 Stat. 742), and not to exceed \$25,000 for employment under 5 U.S.C. 3109; (c) uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901; 80 Stat. 299); (d) purchase, erection, and alteration of buildings and other public improvements (58 Stat. 742); (e) expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U.S.C. 514); and (f) acquisition of land and interests therein for sites for administrative purposes, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a).

Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated to the Forest Service shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Funds appropriated under this Act shall not be used for acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U.S.C. 513-519, 521), where such land is not within the boundaries of an established national forest or purchase unit. (*Department of the Interior and Related Agencies Appropriation Act, 1968.*)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

Agriculture:

Agricultural Stabilization and Conservation Service: "Expenses."
Soil Conservation Service:
"Flood prevention."
"Watershed planning."
"Watershed protection."

"Great Plains conservation program."
"Resource conservation and development."
Funds appropriated to the President:
"Office of Economic Opportunity."
"Appalachian regional development program."
Defense—Civil: Army, Corps of Engineers: "Construction, general."
Interior:
Bureau of Land Management, "Oregon and California grant lands."
Bureau of Outdoor Recreation, "Land and water conservation fund."

FOREST SERVICE PERMANENT APPROPRIATIONS**Program and Financing (in thousands of dollars)**

Identification code 05-96-9999-0-2-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Roads and trails for States, national forests fund.....	16,778	17,566	18,800
2. Brush disposal.....	8,882	9,789	9,962
3. Forest fire prevention.....	37	45	60
4. Restoration of forest lands and improvements.....	12	25	25
5. Payment to Minnesota.....	145	145	145
6. Payments to counties, national grasslands.....	451	450	450
7. Payments to school funds, Arizona and New Mexico.....	103	106	110
8. Payments to States, national forests fund.....	41,942	43,912	47,020
Total program costs, funded ¹.....	68,350	72,038	76,572
Change in selected resources ².....	13	-----	-----
10 Total obligations.....	68,363	72,038	76,572
Financing:			
21 Unobligated balance available, start of year.....	-11,257	-12,241	-12,752
24 Unobligated balance available, end of year.....	12,241	12,752	13,190
60 New obligational authority (appropriation) (permanent, indefinite, special funds).....	69,346	72,549	77,010
Distribution of new obligational authority by account:			
Roads and trails for States, national forests fund.....	16,778	17,566	18,800
Brush disposal.....	9,875	10,300	10,400
Forest fire prevention.....	42	45	60
Restoration of forest lands and improvements.....	10	25	25
Payment to Minnesota.....	145	145	145
Payments to counties, national grasslands.....	451	450	450
Payments to school funds, Arizona and New Mexico.....	103	106	110
Payments to States, national forests fund.....	41,942	43,912	47,020
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	68,363	72,038	76,572
72 Obligated balance, start of year.....	1,177	919	927
74 Obligated balance, end of year.....	-919	-927	-927
90 Expenditures.....	68,622	72,030	76,572
Expenditures are distributed as follows:			
01 Out of current authorizations.....	68,622	71,111	75,645
02 Out of prior authorizations.....	-----	919	927
Distribution of expenditures by account:			
Roads and trails for States, national forests fund.....	16,778	17,566	18,800
Brush disposal.....	8,893	9,779	9,962
Forest fire prevention.....	36	47	60
Restoration of forest lands and improvements.....	12	25	25
Payment to Minnesota.....	145	145	145
Payments to counties, national grasslands.....	451	450	450
Payments to school funds, Arizona and New Mexico.....	103	106	110
Payments to States, national forests fund.....	42,204	43,912	47,020

¹ Includes capital outlay as follows: 1967, \$221 thousand; 1968, \$250 thousand; 1969, \$250 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$379 thousand; 1967, \$392 thousand; 1968, \$392 thousand; 1969, \$392 thousand.

1. *Roads and trails for States, national forests fund.*—With minor exceptions, 10% of the money received from the national forests is advanced to and merged with the appropriation Forest roads and trails for construction and maintenance of roads and trails within the State from which such proceeds are derived (16 U.S.C. 501).

2. *Expenses, brush disposal.*—Payments made for this purpose by purchasers of national forest timber are used to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

3. *Forest fire prevention.*—Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary and are available for furthering the nationwide forest fire prevention campaign (18 U.S.C. 711).

4. *Restoration of forest lands and improvements.*—Funds received from settlement of claims involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement or forfeiture (16 U.S.C. 579c).

5. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid 0.75% of the appraised value of certain Superior National Forest lands in the Counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

6. *Payments to counties, national grasslands.*—Of the revenues received from the use of national grasslands, 25% is paid to the counties in which such land is situated for school and road purposes (7 U.S.C. 1012).

7. *Payments to school funds, Arizona and New Mexico.*—The States of Arizona and New Mexico are paid a share of the national forest receipts for school purposes (36 Stat. 562, 573).

8. *Payments to States, national forests fund.*—With minor exceptions, 25% of the money received from the national forests is paid to the States for public schools and roads of the county in which such forests are situated (16 U.S.C. 500).

Object Classification (in thousands of dollars)

Identification code 05-96-9999-0-2-402	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	2,990	3,301	3,365
11.3 Positions other than permanent.....	2,505	2,925	2,988
11.5 Other personnel compensation.....	466	504	510
Total personnel compensation.....	5,961	6,730	6,863
12.0 Personnel benefits.....	400	454	463
21.0 Travel and transportation of persons..	59	65	67
22.0 Transportation of things.....	456	470	467
23.0 Rent, communications, and utilities...	189	197	203
24.0 Printing and reproduction.....	10	20	22
25.1 Other services.....	1,191	1,186	1,215
25.2 Services of other agencies.....	16,883	17,671	18,910
26.0 Supplies and materials.....	348	370	375
31.0 Equipment.....	201	240	237
32.0 Lands and structures.....	115	120	120
41.0 Grants, subsidies, and contributions...	42,641	44,613	47,725
42.0 Insurance claims and indemnities.....	2	2	5
44.0 Refunds.....	8		
Subtotal.....	68,464	72,138	76,672
95.0 Quarters and subsistence charges.....	-101	-100	-100
99.0 Total obligations.....	68,363	72,038	76,572

Personnel Summary

Total number of permanent positions.....	477	454	462
Full-time equivalent of other positions.....	505	570	580

Average number of all employees.....	921	997	1,016
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions.....	\$6,265	\$6,364	\$6,364

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in thousands of dollars)

Identification code 05-96-4605-0-4-402	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
1. Equipment service.....	13,172	13,740	11,350
2. Aircraft service.....	668	623	650
3. Supply service.....	4,245	2,685	2,600
4. Nurseries.....	2,157	2,257	2,400
Total operating costs, funded.....	20,242	19,305	17,000
Capital outlay, funded:			
1. Equipment service.....	3,682	5,834	7,000
2. Aircraft service.....	3	65	
3. Supply service.....	3	12	
4. Nurseries.....	2	2	
Total capital outlay, funded.....	3,690	5,913	7,000
Total program costs, funded.....	23,932	25,218	24,000
Change in selected resources ¹	398	14	
10 Total obligations.....	24,330	25,232	24,000
Financing:			
Receipts and reimbursements from:			
11 Federal funds:			
Revenue:			
Equipment service.....	-17,851	-18,252	-15,854
Aircraft service.....	-641	-662	-665
Supply service.....	-4,347	-2,790	-2,656
Nurseries.....	-2,557	-2,572	-2,525
Income provision for increased cost of equipment replacement.....	-741	-674	-300
Donated working capital.....	8		
Increase (-) or decrease in unfilled customer orders.....	-140	57	
14 Non-Federal sources: Proceeds from sale of equipment and other assets.....	-669	-1,120	-1,000
21 Unobligated balance available, start of year.....	-3,113	-5,721	-6,502
24 Unobligated balance available, end of year.....	5,721	6,502	5,502
New obligatory authority.....			

Relation of obligations to expenditures:			
10 Total obligations.....	24,330	25,232	24,000
70 Receipts and other offsets (items 11-17).....	-26,938	-26,013	-23,000
71 Obligations affecting expenditures.....	-2,608	-781	1,000
72 Obligated balance, start of year.....	5,006	4,049	3,976
74 Obligated balance, end of year.....	-4,049	-3,976	-3,751
90 Expenditures.....	-1,651	-708	1,225

Expenditures are distributed as follows:			
01 Out of current authorizations.....	-1,651	-4,757	-2,751
02 Out of prior authorizations.....		4,049	3,976

¹ Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Undelivered orders.....	3,237	3,114	3,128	3,128
Stores.....	5,349	5,877	5,877	5,877
Deferred charges.....	9	2	2	2
Total.....	8,595	8,993	9,007	9,007

The working capital fund was established by the act of August 3, 1956 (16 U.S.C. 579b), as amended by the act of October 23, 1962, 76 Stat. 1157. It is a self-sustaining revolving fund which provides services to national

Federal Funds—Continued**FOREST SERVICE—Continued****Intragovernmental funds—Continued****WORKING CAPITAL FUND—Continued**

forests, experiment stations, and, when necessary, to other Federal agencies, and as provided by law to State and private agencies and persons who cooperate with the Forest Service in fire control and other authorized programs.

The working capital fund requires no cash appropriation. Initially, its assets were purchased by regular Forest Service appropriations and donated to the fund. Where expansion of working capital fund operations is required it generally is financed pro rata by benefiting Forest Service appropriations and the resulting assets are donated to the fund. In some instances assets have been obtained without cost to Forest Service appropriations or the working capital fund. In other instances, the expansion was financed by the working capital fund.

The following services were provided by the working capital fund in fiscal year 1967:

1. *Equipment service.*—This service owns, operates, maintains, and replaces approximately 13,000 pieces of common use, motor driven, and similar equipment. This equipment is rented to a total of 166 proclaimed national forests, experiment stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which when added to depreciation earnings and the residual value of equipment provides sufficient funds to replace the equipment. This service operates 97 repair shops.

2. *Aircraft service.*—This service operates and maintains 57 Forest Service-owned aircraft used in fire surveillance and suppression and in other Forest Service programs. The aircraft are based at 11 locations and are rented to national forests, experiment stations, and, in some cases, to other agencies, at rates which recover the cost of operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Replacement costs and the costs of additional aircraft are financed pro rata by benefiting Forest Service appropriations. This service operates three aircraft maintenance shops.

3. *Supply service.*—This service operates the following common services:

Central supply.—This service is centralized at four locations for procurement, warehousing, and supply of common-use items such as work project tools, provisions, and supplies, which are issued and sold to national forests, experiment stations, and others at prices which recover cost.

Photoreproduction.—Five photoreproduction laboratories store, reproduce, and supply aerial photographs, aerial maps, and other photographs of national forest lands. The photographic reproductions are sold to national forests, experiment stations, and others at cost.

Sign shop.—These include 12 small shops which manufacture and supply special signs for the national forests for use in regulating traffic and as information to the public and other users of the national forests. The signs are sold to national forests and experiment stations at cost.

Subsistence.—These are 47 facilities which prepare and serve meals at cost to Forest Service work crews working in remote areas where adequate public restaurant facilities are not available.

Cribbing.—This facility is located on the Angeles National Forest, California, to manufacture special concrete structural material used in embankments for erosion control purposes along access roads in the national forests. This material is sold to national forests at prices which recover costs.

4. *Nursery service.*—This service operates 14 forest tree nurseries and cold storage facilities for storage of tree and seed stock and one seed extractory. Tree seed is procured, cleaned, bagged, and stored in refrigerated facilities. Tree and seed stock are sold to national forests, States, and other Federal agencies at cost.

VOLUME OF BUSINESS FOR THE VARIOUS MAJOR ACTIVITIES OF THE WORKING CAPITAL FUND

[In thousands of dollars]

	1967 actual	1968 estimate	1969 estimate
Equipment service.....	18,592	18,926	16,154
Aircraft service.....	641	662	665
Supply service.....	4,347	2,790	2,656
Nursery service.....	2,557	2,572	2,525
Totals.....	26,137	24,950	22,000

The following is a tabulation pertaining to the capital and earnings of the working capital fund (in thousands of dollars):

ANALYSIS OF CAPITAL AND EARNINGS

	Actual through June 30, 1967	Estimated through June 30, 1968	Estimated through June 30, 1969
Value of assets donated to the fund....	30,988	32,039	33,139
Value of assets acquired from earnings..	5,750	6,500	7,500
Earnings reserved for future acquisition of assets.....	3,135	3,500	2,800
Balance of earnings.....	58	68	68
Total capital and earnings.....	39,931	42,107	43,507

Object Classification (in thousands of dollars)

Identification code 05-96-4605-0-4-402	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	5,714	6,055	6,660
11.3 Positions other than permanent.....	1,684	1,776	1,942
11.5 Other personnel compensation.....	117	257	260
Total personnel compensation.....	7,515	8,088	8,862
12.0 Personnel benefits.....	570	615	667
13.0 Benefits for former personnel.....	2	-----	-----
21.0 Travel and transportation of persons..	175	186	225
22.0 Transportation of things.....	161	164	185
23.0 Rent, communications, and utilities...	398	392	429
24.0 Printing and reproduction.....	59	60	65
25.1 Other services.....	2,292	2,069	2,674
25.2 Services of other agencies.....	120	124	150
26.0 Supplies and materials.....	9,225	7,742	6,000
31.0 Equipment.....	3,868	5,847	4,800
32.0 Lands and structures.....	1	1	1
42.0 Insurance claims and indemnities....	1	1	1
44.0 Refunds.....	1	1	1
Subtotal.....	24,388	25,290	24,060
95.0 Quarters and subsistence charges.....	-58	-58	-60
99.0 Total obligations.....	24,330	25,232	24,000

Personnel Summary

Total number of permanent positions.....	822	851	809
Full-time equivalent of other positions.....	337	429	412
Average number of all employees.....	1,136	1,259	1,201
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions.....	\$6,265	\$6,364	\$6,364

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

Identification code 05-96-3911-0-4-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Repair of equipment and sale of supplies, materials, equipment, and services to other activities of the Forest Service; the Departments of Agriculture, Commerce, and Interior; Civil Service Commission; Air Force; and other agencies.....	1,375	1,922	1,885
2. Construction and maintenance of roads, trails, and other improvements.....	589	1,425	1,500
3. Forest fire protection and suppression.....	1,433	1,300	1,500
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands.....	148	200	200
5. Insect and disease control.....	619	400	400
6. Forest research at experimental forests and ranges, and for foreign countries.....	653	500	500
7. Investigations at Forest Products Laboratory.....	254	650	650
8. Cooperation in forest fire control, forest management and processing, and forest tree planting.....	542	950	950
9. Defense preparedness planning.....	729	1,310	915
Total program costs, funded ¹	6,342	8,657	8,500
Changes in selected resources ²	-13	-----	-----
10 Total obligations.....	6,329	8,657	8,500

Financing:

Receipts and reimbursements from:			
11 Federal funds.....	-5,424	-6,481	-6,840
14 Non-Federal sources ³	-1,313	-1,570	-1,660
21 Unobligated balance available, start of year.....	-198	-606	-----
24 Unobligated balance available, end of year.....	606	-----	-----

New obligational authority.....

Relation of obligations to expenditures:

10 Total obligations.....	6,329	8,657	8,500
70 Receipts and other offsets (items 11-17).....	-6,737	-8,051	-8,500
71 Obligations affecting expenditures.....	-408	606	-----
72 Obligated balance, start of year.....	169	187	143
74 Obligated balance, end of year.....	-187	-143	-143
77 Adjustments in expired accounts.....	-3	-----	-----
90 Expenditures.....	-429	650	-----

Expenditures are distributed as follows:

01 Out of current authorizations.....	-429	650	{-----}
02 Out of prior authorizations.....			

¹ Includes capital outlay as follows: 1967, \$315 thousand; 1968, \$500 thousand; 1969, \$500 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$373 thousand (1967 adjustment, -\$33 thousand); 1967, \$327 thousand; 1968, \$327 thousand; 1969, \$327 thousand.

³ Reimbursements from non-Federal sources are primarily for sale of equipment, supplies, and materials; costs of suppressing forest fires on State and private forest lands adjacent to, or intermingled with national forests under terms of written cooperative agreements (16 U.S.C. 572, 580, 580a); and sale of personal property (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)

Identification code 05-96-3911-0-4-402	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	2,026	2,879	2,865
11.3 Positions other than permanent.....	583	757	755
11.5 Other personnel compensation.....	197	207	201
11.8 Special personal service payments.....	203	230	220
Total personnel compensation.....	3,009	4,073	4,041
12.0 Personnel benefits.....	198	280	280
21.0 Travel and transportation of persons.....	219	260	255
22.0 Transportation of things.....	135	160	155
23.0 Rent, communications, and utilities.....	110	115	111
24.0 Printing and reproduction.....	19	20	15
25.1 Other services.....	1,479	1,840	1,763
25.2 Services of other agencies.....	47	34	35
26.0 Supplies and materials.....	592	960	945
31.0 Equipment.....	237	440	435
32.0 Lands and structures.....	180	460	450
41.0 Grants, subsidies, and contributions.....	28	25	25
44.0 Refunds.....	86	-----	-----
Subtotal.....	6,339	8,667	8,510
95.0 Quarters and subsistence charges.....	-10	-10	-10
99.0 Total obligations.....	6,329	8,657	8,500

Personnel Summary

Total number of permanent positions.....	258	349	343
Full-time equivalent of other positions.....	139	180	176
Average number of all employees.....	388	508	498
Average GS grade.....	7.5	7.6	7.6
Average GS salary.....	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions.....	\$6,265	\$6,364	\$6,364

Trust Funds

AGRICULTURAL RESEARCH SERVICE

Program and Financing (in thousands of dollars)

Identification code 05-04-9999-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Expenses and refunds, inspection, certification, and quarantine of animal products.....	60	48	45
2. Expenses, feed, and attendants for animals in quarantine.....	115	107	88
3. Miscellaneous contributed funds:			
(a) Program.....	966	1,019	900
(b) Construction of facilities.....	-----	-----	350
4. Prior year advances returned.....	54	8	-----
Total program costs, funded ¹	1,195	1,182	1,383
Change in selected resources ²	-63	3	42
10 Total obligations.....	1,132	1,185	1,425
Financing:			
21 Unobligated balance available, start of year.....	-340	-282	-114
24 Unobligated balance available, end of year.....	282	114	82
60 New obligational authority (appropriation).....	1,074	1,017	1,393

Distribution of new obligational authority by account:

Expenses and refunds, inspection, certification, and quarantine of animal products.....	53	45	45
Expenses, feed and attendants for animals in quarantine.....	104	85	85
Miscellaneous contributed funds.....	917	887	1,263

Trust Funds—Continued**AGRICULTURAL RESEARCH SERVICE—Continued****Program and Financing (in thousands of dollars)—Continued**

Identification code 05-04-9999-0-7-355	1967 actual	1968 est.	1969 est.
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	1,132	1,185	1,425
72 Obligated balance, start of year	171	88	82
74 Obligated balance, end of year	-88	-82	-143
90 Expenditures	1,215	1,191	1,364
Expenditures are distributed as follows:			
01 Out of current authorizations	1,215	821	1,167
02 Out of prior authorizations		370	197
Distribution of expenditures by account:			
Expenses and refunds, inspection, certification, and quarantine of animal products	75	51	46
Expenses, feed, and attendants for animals in quarantine	111	107	88
Miscellaneous contributed funds	1,029	1,033	1,230

¹ Includes capital outlay as follows: 1967, \$19 thousand; 1968, \$24 thousand; 1969, \$11 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$77 thousand; 1967, \$14 thousand; 1968, \$17 thousand; 1969, \$59 thousand.

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

1. *Expenses and refunds, inspection, certification, and quarantine of animal products* and byproducts not intended for human food, and for other purposes, moving in interstate and foreign commerce primarily to prevent introduction and spread of animal diseases (7 U.S.C. 1622h and n) (21 U.S.C. 111). Fees are paid in advance for services to be rendered.

2. *Expenses, feed, and attendants for animals in quarantine* are paid from fees advanced by importers (21 U.S.C. 102).

3. *Miscellaneous contributed funds* received from States, local organizations, individuals, and others are available for work under cooperative agreements on miscellaneous farm, utilization, and marketing research activities, plant quarantine inspection, and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)

Identification code 05-04-9999-0-7-355	1967 actual	1968 est.	1969 est.
AGRICULTURAL RESEARCH SERVICE			
Personnel compensation:			
11.1 Permanent positions	255	243	225
11.3 Positions other than permanent	33	37	26
11.5 Other personnel compensation	20	22	22
Total personnel compensation	308	302	273
12.0 Personnel benefits	25	24	23
21.0 Travel and transportation of persons	46	60	46
22.0 Transportation of things	1	11	6
23.0 Rent, communications, and utilities	10	12	10
24.0 Printing and reproduction	1	5	1
25.1 Other services	87	71	50
25.2 Services of other agencies	93	91	84
26.0 Supplies and materials	493	577	524
31.0 Equipment	14	24	11
44.0 Refunds	54	8	
Subtotal	1,133	1,185	1,028
95.0 Quarters and subsistence	1		
Total obligations, Agricultural Research Service	1,132	1,185	1,028

**ALLOCATION TO GENERAL SERVICES
ADMINISTRATION**

32.0 Lands and structures			397
99.0 Total obligations	1,132	1,185	1,425

Personnel Summary

Total number of permanent positions	24	24	22
Full-time equivalent of other positions	6	6	5
Average number of all employees	40	36	33
Average GS grade	8.3	8.4	8.4
Average GS salary	\$8,992	\$9,403	\$9,404
Average salary of ungraded positions	\$5,524	\$5,731	\$5,747

COOPERATIVE STATE RESEARCH SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-08-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Miscellaneous contributed funds (costs—obligations) (object class 24.0)	1	2	2
Financing:			
21 Unobligated balance available, start of year		-1	-1
24 Unobligated balance available, end of year	1	1	1
60 New obligational authority (appropriation)	2	2	2
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	1	2	2
72 Obligated balance, start of year		1	1
74 Obligated balance, end of year	-1	-1	-1
90 Expenditures		2	2
Expenditures are distributed as follows:			
01 Out of current authorizations		2	2

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (7 U.S.C. 450b, 450h).

EXTENSION SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-12-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Miscellaneous contributed funds (costs—obligations) (object class 21.0)	1	1	
Financing:			
60 New obligational authority (appropriation)	1	1	
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	1	1	
90 Expenditures	1	1	

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (68 Stat. 1227 and 41 Stat. 270).

These funds represent reimbursements for the travel expenses of Federal Extension Service employees conducting program training sessions.

FARMER COOPERATIVE SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-16-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Miscellaneous contributed funds (costs—obligations).....	6	11	8
Financing:			
21 Unobligated balance available, start of year.....	-2	-3	-----
24 Unobligated balance available, end of year.....	3	-----	-----
60 New obligational authority (appropriation).....	7	8	8
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	6	11	8
72 Obligated balance, start of year.....	-----	1	1
74 Obligated balance, end of year.....	-1	-1	-1
90 Expenditures.....	6	11	8
Expenditures are distributed as follows:			
01 Out of current authorizations.....	6	8	8
02 Out of prior authorizations.....			

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (68 Stat. 1227 and 41 Stat. 270).

Object Classification (in thousands of dollars)

Identification code 05-16-8200-0-7-355	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions.....	-----	2	2
21.0 Travel and transportation of persons.....	6	9	6
99.0 Total obligations.....	6	11	8

SOIL CONSERVATION SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-20-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs: Miscellaneous contributed funds.....	873	948	1,020
Unfunded adjustments to operating costs:			
Depreciation included above.....	-1	-2	-3
Other costs included above not requiring funding.....	-3	-4	-4
Total operating costs, funded.....	869	942	1,013
Capital outlay.....	9	10	10
Total program costs, funded.....	878	952	1,023
Change in selected resources ¹	-5	13	10
10 Total obligations.....	873	965	1,033
Financing:			
21 Unobligated balance available, start of year.....	-109	-103	-103
24 Unobligated balance available, end of year.....	103	103	103
60 New obligation authority (appropriation).....	867	965	1,033
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	873	965	1,033
72 Obligated balance, start of year.....	84	114	160

74 Obligated balance, end of year.....	-114	-160	-212
90 Expenditures.....	843	919	981

Expenditures are distributed as follows:

01 Out of current authorizations.....	843	701	740
02 Out of prior authorizations.....			

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$32 thousand; 1967, \$27 thousand; 1968, \$40 thousand; 1969, \$50 thousand.

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)

Identification code 05-20-8200-0-7-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions.....	567	593	656
11.3 Positions other than permanent.....	61	70	82
11.5 Other personnel compensation.....	1	1	-----
11.8 Special personal service payments.....	1	2	-----
Total personnel compensation.....	630	666	738
12.0 Personnel benefits.....	48	52	58
21.0 Travel and transportation of persons.....	42	50	55
22.0 Transportation of things.....	7	8	9
23.0 Rent, communications, and utilities.....	9	11	12
24.0 Printing and reproduction.....	14	41	45
25.1 Other services.....	50	45	50
25.2 Services of other agencies.....	2	3	3
25.3 Payments to "Watershed protection".....	1	12	13
26.0 Supplies and materials.....	11	15	17
31.0 Equipment.....	7	2	2
41.0 Grants, subsidies, and contributions.....	19	57	28
44.0 Refunds.....	33	3	3
99.0 Total obligations.....	873	965	1,033

Personnel Summary

Total number of permanent positions.....	72	74	77
Full-time equivalent of other positions.....	13	17	19
Average number of all employees.....	81	87	92
Average GS grade.....	7.7	7.8	7.9
Average GS salary.....	\$8,252	\$8,689	\$8,771

ECONOMIC RESEARCH SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-24-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Miscellaneous contributed funds (program costs, funded).....	160	96	30
Change in selected resources ¹	-120	-65	-----
10 Total obligations.....	40	31	30
Financing:			
60 New obligational authority (appropriation).....	40	31	30
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	40	31	30
72 Obligated balance, start of year.....	185	65	-----
74 Obligated balance, end of year.....	-65	-----	-----
90 Expenditures.....	160	96	30
Expenditures are distributed as follows:			
01 Out of current authorizations.....	160	31	30
02 Out of prior authorizations.....			

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$185 thousand; 1967, \$65 thousand; 1968, \$0; 1969, \$0.

Trust Funds—Continued**ECONOMIC RESEARCH SERVICE—Continued****MISCELLANEOUS CONTRIBUTED FUNDS—Continued**

Miscellaneous funds received from States, local organizations, and others are available for economic research and analysis under cooperative agreements (68 Stat. 1227 and 41 Stat. 270).

Object Classification (in thousands of dollars)

Identification code 05-24-8200-0-7-355	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions.....	31	29	27
12.0 Personnel benefits.....	2	2	2
21.0 Travel and transportation of persons.....	6	-----	1
24.0 Printing and reproduction.....	1	-----	-----
99.0 Total obligations.....	40	31	30

Personnel Summary

Total number of permanent positions.....	3	3	3
Full-time equivalent of other positions.....	0	0	0
Average number of all employees.....	2	2	2
Average GS grade.....	8.8	9.1	9.1
Average GS salary.....	\$9,389	\$10,185	\$10,257

STATISTICAL REPORTING SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-28-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
Miscellaneous contributed funds (program costs, funded).....	29	4	4
Change in selected resources ¹	-20	-----	-----
10 Total obligations.....	9	4	4
Financing:			
60 New obligational authority (appropriation).....	9	4	4
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	9	4	4
Obligated balance, start of year:			
72.40 Appropriation.....	20	40	-----
72.49 Contract authorization.....	20	-----	-----
74 Obligated balance, end of year.....	-40	-----	-----
90 Expenditures.....	9	44	4
Expenditures are distributed as follows:			
01 Out of current authorizations.....	9 {	4	4
02 Out of prior authorizations.....		40	-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$20 thousand; 1967, \$0; 1968, \$0; 1969, \$0.

Status of Unfunded Contract Authorization (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Unfunded balance, start of year.....	20	-----	-----
Appropriation to liquidate contract authorization.....	20	-----	-----

Miscellaneous funds received from States, local organizations, individuals, and others are available for crop and

livestock survey work under cooperative agreements (7 U.S.C. 450b, 450h).

Object Classification (in thousands of dollars)

Identification code 05-28-8200-0-7-355	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation: Permanent positions.....	4	4	4
25.1 Other services.....	5	-----	-----
99.0 Total obligations.....	9	4	4

Personnel Summary

Total number of permanent positions.....	1	1	1
Average number of all employees.....	1	1	1
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$7,736	\$8,206	\$8,268

CONSUMER AND MARKETING SERVICE**CONSUMER AND MARKETING SERVICE TRUST FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-32-9999-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Dairy products.....	2,042	2,921	3,112
(b) Fruits and vegetables.....	9,252	10,217	10,839
(c) Meat grading.....	7,819	8,171	8,275
(d) Meat inspection.....	757	867	126
(e) Poultry products.....	5,828	6,129	6,508
(f) Miscellaneous agricultural commodities.....	3,424	3,575	3,525
2. Miscellaneous contributed funds.....	12	35	-----
Total program costs funded ¹	29,134	31,915	32,385
Change in selected resources ²	68	-----	-----
10 Total obligations.....	29,202	31,915	32,385
Financing:			
17 Recovery of prior year obligations.....	-174	-----	-----
21 Unobligated balance available, start of year.....	-10,636	-11,016	-10,879
24 Unobligated balance available, end of year.....	11,016	10,879	11,299
60 New obligational authority (appropriation).....	29,408	31,778	32,805
Distribution of new obligational authority by account:			
Expenses and refunds, inspection and grading of farm products.....	29,388	31,751	32,805
Miscellaneous contributed funds.....	20	27	-----
Relation of obligations to expenditures:			
10 Total obligations.....	29,202	31,915	32,385
70 Receipts and other offsets (items 11-17).....	-174	-----	-----
71 Obligations affecting expenditures.....	29,028	31,915	32,385
72 Obligated balance, start of year.....	1,498	1,730	1,900
74 Obligated balance, end of year.....	-1,730	-1,900	-1,922
90 Expenditures.....	28,796	31,745	32,363
Expenditures are distributed as follows:			
01 Out of current authorizations.....	27,472	30,216	30,722
02 Out of prior authorizations.....	1,324	1,529	1,641
Distribution of expenditures by account:			
Expenses and refunds, inspection and grading of farm products.....	28,789	31,705	32,363
Miscellaneous contributed funds.....	7	40	-----

¹ Includes capital outlay as follows: 1967, \$152 thousand; 1968, \$152 thousand; 1969, \$152 thousand.

² Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1966, \$150 thousand (1967 adjustments, -\$174 thousand); 1967, \$44 thousand; 1968, \$44 thousand; 1969, \$44 thousand.

1. *Expenses and refunds, inspection and grading of farm products.*—An inspection and grading service for farm products is provided on request. These services are supported primarily by fees paid by users. A limited amount of direct appropriation is available which covers a portion of the public benefit service. The schedules reflect expenses paid from fees received (7 U.S.C. 91-99 (1621-1627)). The volume of work is shown below (in millions):

Commodity	1967 actual	1968 estimate	1969 estimate
Cotton testing, micronaire (samples)---	8.9	7.8	2.1
Dairy products graded (pounds)-----	2,404	4,140	4,546
Fresh fruits and vegetables, graded (pounds)-----	51,316	53,363	55,492
Processed fruits and vegetables, graded:			
Canned products (pounds)-----	8,314	8,500	9,000
Frozen, dried, and miscellaneous (pounds)-----	5,287	5,975	6,780
Meat and meat products:			
Graded (pounds)-----	15,382	15,653	16,506
Inspected (pounds)-----	18,145	18,415	452
Poultry products, graded:			
Shell eggs (pounds)-----	2,321	2,444	2,585
Processed eggs (pounds)-----	705	615	671
Poultry (pounds)-----	6,396	6,711	7,068
Grain and related products, graded (pounds)-----	8,992	9,124	9,124

Object Classification (in thousands of dollars)

Identification code 05-32-9999-0-7-355	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions-----	19,243	20,819	21,149
11.3 Positions other than permanent-----	1,456	1,669	1,636
11.5 Other personnel compensation-----	1,702	1,736	1,753
Total personnel compensation----	22,401	24,224	24,538
12.0 Personnel benefits-----	1,662	1,822	1,859
13.0 Benefits for former personnel-----	45	8	8
21.0 Travel and transportation of persons--	1,642	2,018	2,100
22.0 Transportation of things-----	125	166	172
23.0 Rent, communications, and utilities---	474	554	572
24.0 Printing and reproduction-----	151	166	170
25.1 Other services-----	1,682	1,807	1,790
25.2 Services of other agencies-----	688	700	711
26.0 Supplies and materials-----	189	231	237
31.0 Equipment-----	139	213	222
42.0 Insurance claims and indemnities-----	4	6	6
99.0 Total obligations-----	29,202	31,915	32,385

Personnel Summary

Total number of permanent positions-----	2,732	2,701	2,744
Full-time equivalent of other positions-----	262	290	283
Average number of employees-----	2,670	2,872	2,914
Average GS grade-----	7.9	7.9	8.0
Average GS salary-----	\$8,116	\$8,182	\$8,179

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in thousands of dollars) ¹

Identification code 05-32-8412-0-8-351	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Administration-----	12,275	13,011	13,792
2. Marketing service-----	1,847	1,779	1,711
10 Total obligations-----	14,122	14,790	15,503
Financing:			
14 Receipts and reimbursements from:			
Non-Federal sources:			
Administration: Revenue-----	-12,037	-12,838	-13,619
Marketing services: Revenue-----	-1,818	-1,751	-1,683
Nonoperating: Interest revenue-----	-264	-263	-263

21 Unobligated balance available, start of year-----	-7,718	-7,715	-7,777
24 Unobligated balance available, end of year-----	7,715	7,777	7,839
New obligational authority-----	-----	-----	-----

Relation of obligations to expenditures:

10 Total obligations-----	14,122	14,790	15,503
70 Receipts and other offsets (items 11-17) -	-14,119	-14,852	-15,565
71 Obligations affecting expenditures--	3	-62	-62
72 Obligated balance, start of year-----	1,160	1,147	1,156
74 Obligated balance, end of year-----	-1,147	-1,156	-1,166
90 Expenditures-----	16	-71	-72

Expenditures are distributed as follows:

01 Out of current authorizations-----	-1,144	-1,218	-1,228
02 Out of prior authorizations-----	1,160	1,147	1,156

Cash transactions:

93 Gross expenditures-----	14,044	14,779	15,491
94 Applicable receipts-----	-14,028	-14,850	-15,563

¹ Administrative fund totals are comprised of 73 separate independent order accounts, plus, in fiscal year 1967, one additional order which was in effect for a portion of the fiscal year. The Marketing Service fund totals are comprised of 65 separate independent order accounts, plus in fiscal year 1967, one additional order which was in effect for a portion of the fiscal year.

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers.

Market administrators are responsible for carrying out locally the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

Each milk order is administered locally by a market administrator who is appointed by the Secretary. His staff is employed directly by the market administrator.

The activities conducted in the local office are concerned primarily with monthly computations and public announcement of class and uniform blend prices, associated butterfat differentials, examination of handlers records and facilities to verify their reports and payments to producers, and in checking weights and tests of producer milk.

The expenses of each local office are met from an administrative fund and a marketing service fund which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order provides for the expense of disseminating market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and approval of the Consumer and Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers as the case may be.

Milk sold by regulated handlers supplied about 100 million persons in calendar year 1966.

Trust Funds—Continued**CONSUMER AND MARKETING SERVICE—Con.****MILK MARKET ORDERS ASSESSMENT FUNDS—Continued**

The following table gives an indication of the role of Federal orders in the marketing of milk over the past few years.

	Calendar year				
	1962	1963	1964	1965	1966
Population of market areas (millions).....	97.4	100.1	99.3	102.4	100.0
Producer deliveries (billion pounds).....	51,648	52,860	54,447	54,444	53,103
Producer deliveries used in class I (billion pounds).....	31,606	32,964	33,965	34,561	34,870
Number of producers.....	186,468	176,477	167,503	158,077	146,090

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Administrative fund:			
Revenue.....	12,037	12,838	13,619
Expense.....	12,275	13,011	13,792
Net operating loss, administrative fund.....	-238	-173	-173
Marketing service fund:			
Revenue.....	1,818	1,751	1,683
Expense.....	1,847	1,779	1,711
Net operating loss, marketing service fund.....	-29	-28	-28
Nonoperating income: Interest revenue.....	264	263	263
Net income or loss for the year (-) ..	-3	62	62
Analysis of retained earnings:			
Retained earnings, start of year.....	7,718	7,715	7,777
Retained earnings, end of year.....	7,715	7,777	7,839

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Cash in banks.....	6,589	6,789	6,843	6,898
U.S. securities (current redemption value).....	2,289	2,073	2,090	2,107
Accounts receivable, net.....	217	308	310	312
Total assets.....	9,095	9,170	9,243	9,317
Liabilities:				
Current.....	1,377	1,455	1,466	1,478
Equity:				
Retained earnings (reserved) ..	7,718	7,715	7,777	7,839

Analysis of Government Equity (in thousands of dollars)

Government equity (unobligated balance).....	7,718	7,715	7,777	7,839
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Object Classification (in thousands of dollars)

Identification code 05-32-8412-0-8-351	1967 actual	1968 est.	1969 est.
11.1 Personnel compensation.....	10,272	10,758	11,276
12.0 Personnel benefits.....	710	744	780
21.0 Travel and transportation of persons.....	881	923	967
23.0 Rent, communications, and utilities.....	1,151	1,205	1,265
25.1 Other services.....	629	659	690

26.0 Supplies and materials.....	326	341	358
31.0 Equipment.....	146	153	160
42.0 Insurance claims and indemnities.....	5	5	5
43.0 Interest and dividends.....	2	2	2
99.0 Total obligations.....	14,122	14,790	15,503

Personnel Summary ¹

Total number of permanent positions.....	960	983	993
Full-time equivalent of other positions.....	64	57	57
Average number of all employees.....	969	1,015	1,025
Average salary, grades recommended by Consumer and Marketing Service.....	\$8,418	\$8,592	\$8,766

¹ Excludes New York-New Jersey order operated under Federal and State orders.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent accounts as follows:
U.S. educational exchange program. "United States dollars advanced from foreign governments."

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-44-8200-0-7-351	1967 actual	1968 est.	1969 est.
Relation of obligations to expenditures:			
72 Obligated balance, start of year.....	2	2	-----
74 Obligated balance, end of year.....	-2	-----	-----
90 Expenditures.....	-----	2	-----
Expenditures are distributed as follows:			
02 Out of prior authorizations.....	-----	2	-----

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 564, 564a).

FARMERS HOME ADMINISTRATION**STATE RURAL REHABILITATION FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-60-8488-0-8-352	1967 actual	1968 est.	1969 est.
Program by activities:			
Operating costs, funded:			
Administrative expense.....	200	200	185
Provisions for losses on current receivables.....	47	84	54
Total operating costs, funded....	247	284	239
Capital outlay, funded:			
Loans acquired.....	5,221	3,000	2,000
Judgments and collateral acquired.....	3	2	1
Current assets transferred to States.....	122	269	205
Total capital outlay, funded.....	5,346	3,271	2,206
Total program costs, funded.....	5,593	3,555	2,445
Change in selected resources ¹	-12	-----	-----
10 Total obligations.....	5,581	3,555	2,445

Financing:

14	Receipts and reimbursements from: Non-Federal sources:			
	Repayments on loans.....	-4,304	-4,000	-3,000
	Collections on judgments.....	-7	-7	-6
	Sale of acquired security.....	-1		
	Interest revenue.....	-1,099	-936	-816
	Other revenue.....	-1		
21	Unobligated balance available, start of year:			
	Cash.....	-1,472	-1,135	-2,523
	U.S. securities (par).....	-205	-373	-373
24	Unobligated balance available, end of year:			
	Cash.....	1,135	2,523	3,900
	U.S. securities (par).....	373	373	373
	New obligational authority.....			
	Relation of obligations to expenditures:			
10	Total obligations.....	5,581	3,555	2,445
70	Receipts and other offsets (items 11-17).....	-5,413	-4,943	-3,822
71	Obligations affecting expenditures.....	168	-1,388	-1,377
72	Receivables in excess of obligations, start of year.....	-518	-559	-484
74	Receivables in excess of obligations, end of year.....	559	484	434
90	Expenditures.....	209	-1,463	-1,427
	Expenditures are distributed as follows:			
01	Out of current authorizations.....	209	-1,463	-1,427
	Cash transactions:			
93	Gross expenditures.....	5,573	3,555	2,445
94	Applicable receipts.....	-5,364	-5,018	-3,872

¹ Balance of selected resources are identified on the statement of financial condition (analysis of equity of States).

These funds are administered by the Farmers Home Administration, under agreements with 36 individual States, for use in carrying out subtitles A and B of the Consolidated Farmers Home Administration Act of 1961. In these States, real estate-type loans are made from or purchased with these funds and insured under the regular Farmers Home Administration insured loan program. In some States, operating-type loans are made at 5% interest. The entire assets of the 36 State corporations are being administered by the Farmers Home Administration, with the exception of \$15.5 million representing the partial return of cash and other assets, at face value, to 18 of these States for rural rehabilitation purposes agreed upon between each corporation and the Federal Government. The entire assets of six other State rural rehabilitation corporations have been returned to those States.

Actual and estimated loan operations for the fiscal years 1966, 1967, 1968, and 1969 are as follows (in thousands of dollars):

	Operating loans	Real estate loans
1966.....	1,030	6,617
1967.....	314	5,256
1968 (estimated).....	500	2,500
1969 (estimated).....	-----	2,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1967 actual	1968 est.	1969 est.
Operating program:			
Revenue.....	1,100	937	817
Expense.....	-301	-292	-248
Net income for the year.....	799	645	569
Analysis of retained earnings or deficit:			
Retained earnings or deficit, start of year..	1,345	2,144	2,789
Retained earnings or deficit, end of year..	2,144	2,789	3,358

Financial Condition (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Assets:				
Treasury balance.....	953	576	2,039	3,466
U.S. securities (par).....	205	373	373	373
Accounts receivable, net.....	616	663	589	539
Loans receivable, net.....	23,476	24,325	20,906	18,812
Real estate acquired through foreclosure.....	28	28	28	28
Judgments, net.....	23	21	19	17
Total assets.....	25,301	25,986	23,954	23,235
Liabilities:				
Current.....	85	105	105	105
Equity of States:				
Non-interest-bearing capital:				
Start of year.....	24,258	23,871	23,737	21,060
Assets transferred under trust agreement during year, net:				
Current assets.....	-153	-122	-269	-205
Other.....	-234	-12	-2,408	-1,083
End of year.....	23,871	23,737	21,060	19,772
Retained earnings or deficit.....	1,345	2,144	2,789	3,358
Total equity of States.....	25,216	25,881	23,849	23,130

Analysis of Equity of States (in thousands of dollars)

	1966 actual	1967 actual	1968 est.	1969 est.
Undisbursed loan obligations ¹	12			
Unobligated balance.....	1,677	1,508	2,896	4,273
Invested capital and earnings.....	23,527	24,373	20,953	18,857
Total equity of States.....	25,216	25,881	23,849	23,130

¹ The changes in these items are reflected on the program and financing schedule.

Object Classification (in thousands of dollars)

Identification code 05-60-8488-0-8-352	1967 actual	1968 est.	1969 est.
25.1 Other services.....	200	200	185
33.0 Investments and loans.....	5,212	3,002	2,001
44.0 Refunds.....	122	269	205
92.0 Undistributed charges (provision for losses on current receivables, etc.)..	47	84	54
99.0 Total obligations.....	5,581	3,555	2,445

OFFICE OF INFORMATION**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-76-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Miscellaneous contributed funds (costs—obligations) (object class 22.0).....	-----	1	-----
Financing:			
60 New obligational authority (appropriation).....	-----	1	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures).....	-----	1	-----
90 Expenditures.....	-----	1	-----
Expenditures are distributed as follows:			
01 Out of current authorizations.....	-----	1	-----

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (7 U.S.C. 450b, 450h).

Trust Funds—Continued**NATIONAL AGRICULTURAL LIBRARY****MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

Identification code 05-84-8200-0-7-355	1967 actual	1968 est.	1969 est.
Program by activities:			
10 Miscellaneous contributed funds (costs—obligations) (object class 21.0)-----	2	1	-----
Financing:			
60 New obligational authority (appropriation)-----	2	1	-----
Relation of obligations to expenditures:			
71 Total obligations (affecting expenditures)	2	1	-----
90 Expenditures-----	2	1	-----
Expenditures are distributed as follows:			
01 Out of current authorizations-----	2	1	-----

Miscellaneous funds received from States, local organizations, individuals, and others are available for library services under cooperative agreements (7 U.S.C. 450b, 450h).

FOREST SERVICE**COOPERATIVE WORK****Program and Financing (in thousands of dollars)**

Identification code 05-96-8028-0-7-402	1967 actual	1968 est.	1969 est.
Program by activities:			
1. Construction and maintenance of roads and trails-----	2,182	2,240	2,300
2. Construction and maintenance of other improvements-----	716	735	775
3. Protection of national forest and adjacent private land-----	3,628	3,730	3,750
4. Sale area betterment and scaling-----	20,474	23,885	23,945
5. Research investigations-----	857	890	900
6. Administration-----	14	15	15
7. Reforestation-----	18	20	20
8. Advance to forest protection and utilization for fighting forest fires-----	800	-----	-----
Total program costs, funded ¹ -----	28,689	31,515	31,705
Change in selected resources ² -----	753	-----	-----
10 Total obligations-----	29,442	31,515	31,705
Financing:			
17 Recovery of prior year obligations-----	-3,800	-800	-----
21 Unobligated balance available, start of year-----	-37,851	-44,385	-46,670
24 Unobligated balance available, end of year-----	44,385	46,670	47,965
60 New obligational authority (appropriation)-----	32,176	33,000	33,000
Relation of obligations to expenditures:			
10 Total obligations-----	29,442	31,515	31,705
70 Receipts and other offsets (item 17)-----	-3,800	-800	-----
71 Total obligations (affecting expenditures)-----	25,642	30,715	31,705
72 Obligated balance, start of year-----	6,807	4,709	4,174
74 Obligated balance, end of year-----	-4,709	-4,174	-3,379
90 Expenditures-----	27,739	31,250	32,500

Expenditures are distributed as follows:

01 Out of current authorizations-----	27,739	{	26,541	28,326
02 Out of prior authorizations-----				
			4,709	4,174

¹ Includes capital outlay as follows: 1967, \$14,094 thousand; 1968, \$15 million; 1969, \$15 million.

² Selected resources as of June 30 are as follows:

	1966	1967	1968	1969
Unpaid undelivered orders-----	1,521	2,274	2,274	2,274
Advances-----	3	3	3	3
Total selected resources---	1,524	2,277	2,277	2,277

Cooperative work.—Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (16 U.S.C. 490, 498, 572, 572a, 576b, 581; 31 U.S.C. 725s; 78 Stat. 1089).

Object Classification (in thousands of dollars)

Identification code 05-96-8028-0-7-402	1967 actual	1968 est.	1969 est.
Personnel compensation:			
11.1 Permanent positions-----	9,028	10,139	10,265
11.3 Positions other than permanent-----	6,019	7,203	7,355
11.5 Other personnel compensation-----	357	519	530
11.8 Special personal service payments---	8	20	20
Total personnel compensation----	15,412	17,881	18,170
12.0 Personnel benefits-----	1,128	1,300	1,350
21.0 Travel and transportation of persons---	244	272	272
22.0 Transportation of things-----	1,041	1,061	1,062
23.0 Rent, communications, and utilities---	515	511	514
24.0 Printing and reproduction-----	46	43	43
25.1 Other services-----	3,779	3,993	3,993
25.2 Services of other agencies-----	1,867	1,089	939
26.0 Supplies and materials-----	2,008	2,071	2,070
31.0 Equipment-----	350	358	358
32.0 Lands and structures-----	2,555	2,672	2,672
42.0 Insurance claims and indemnities-----	1	1	1
44.0 Refunds-----	695	468	466
Subtotal-----	29,641	31,720	31,910
95.0 Quarters and subsistence charges-----	-199	-205	-205
99.0 Total obligations-----	29,442	31,515	31,705

Personnel Summary

Total number of permanent positions-----	1,356	1,391	1,400
Full-time equivalent of other positions-----	1,266	1,517	1,525
Average number of all employees-----	2,545	2,824	2,841
Average GS grade-----	7.5	7.6	7.6
Average GS salary-----	\$7,852	\$8,331	\$8,360
Average salary of ungraded positions-----	\$6,265	\$6,364	\$6,364

Legislative Program

Proposed for separate transmittal, proposed legislation:

AGRICULTURAL RESEARCH SERVICE**SALARIES AND EXPENSES****Program and Financing (in thousands of dollars)**

Identification code 05-04-1400-2-1-355	1967 actual	1968 est.	1969 est.
Financing:			
14 Receipts and reimbursements from: Non-Federal sources-----	-----	-----	-1,536
40 New obligational authority-----	-----	-----	-1,536

Relation of obligations to expenditures:			
70	Receipts and other offsets (items 11-17).....	-----	-1,536
71	Obligations affecting expenditures.....	-----	-1,536
90	Expenditures.....	-----	-1,536
Expenditures are distributed as follows:			
01	Out of current authorizations.....	-----	-1,536

A reduction of \$1,536 thousand is anticipated for 1969 under proposed legislation expected to be enacted in 1968 to place certain plant and animal disease and pest control activities on a self-supporting basis. The proposed legislation would provide proper credit to the appropriation for the services rendered in pesticides registration activities and inspection of certain products imported under restrictions for processing at designated establishments.

CONSUMER AND MARKETING SERVICE

CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS

Program and Financing (in thousands of dollars)

Identification code	05-32-2500-2-1-355	1967 actual	1968 est.	1969 est.
Financing:				
14	Receipts and reimbursements from:			
	Non-Federal sources.....	-----	-----	-11,655
21	Unobligated balance, start of year.....	-----	-----	-4,766
24	Unobligated balance available, end of year.....	-----	4,766	4,766
	New obligational authority.....	-----	4,766	-11,655
New obligational authority:				
	Proposed appropriation for revolving fund.....	-----	4,766	-----
	Reduction in current appropriation resulting from establishment of revolving fund.....	-----	-----	-11,655
43	Appropriation (adjusted).....	-----	4,766	-11,655
Relation of obligations to expenditures:				
70	Receipts and other offsets (items 11-17).....	-----	-----	-11,655
71	Obligations affecting expenditures.....	-----	-----	-11,655
74.98	Receivables in excess of obligations, end of year.....	-----	-----	625
90	Expenditures.....	-----	-----	-11,030
Expenditures are distributed as follows:				
01	Out of current authorizations.....	-----	-----	-11,030

A reduction of \$11,655 thousand is anticipated for 1969 under legislation being proposed as follows: (1) amend the Cotton Statistics and Estimates Act, Tobacco Inspection Act, the U.S. Grain Standards Act, and the U.S. Warehouse Act to recover full or partial cost of these services; (2) repeal the Standard Container Acts of 1916

and 1928, the Tobacco Seed and Plant Exportation Act of 1940, the Naval Stores Act of 1923, and the Wool Standards Act of 1928.

FOOD STAMP PROGRAM

Program and Financing (in thousands of dollars)

Identification code	05-32-2505-2-1-659	1967 actual	1968 est.	1969 est.
Program by activities:				
10	Food stamp program (costs—obligations).....	-----	-----	20,000
Financing:				
40	New obligational authority (proposed supplemental appropriation).....	-----	-----	20,000
Relation of obligations to expenditures:				
71	Total obligations (affecting expenditures).....	-----	-----	20,000
74	Obligated balance, end of year.....	-----	-----	-5,000
90	Expenditures.....	-----	-----	15,000
Expenditures are distributed as follows:				
01	Out of current authorizations.....	-----	-----	15,000

Legislation is being proposed to the Congress to provide increased appropriation authority for the Food Stamp Program. A supplemental appropriation of \$20 million will be submitted to the Congress upon the enactment of this legislation. These funds will provide for the annualization of the 1968 expansion and also permit the extension of the program to additional counties and cities.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

Program and Financing (in thousands of dollars)

Identification code	05-32-5209-2-2-351	1967 actual	1968 est.	1969 est.
Financing:				
14	Receipts and reimbursements from: Non-Federal sources.....	-----	-----	-1,500
25	Unobligated balance lapsing.....	-----	-----	1,500
40	New obligational authority.....	-----	-----	-----
Relation of obligations to expenditures:				
70	Receipts and other offsets (items 11-17).....	-----	-----	-1,500
71	Obligations affecting expenditures.....	-----	-----	-1,500
90	Expenditures.....	-----	-----	-1,500
Expenditures are distributed as follows:				
01	Out of current authorizations.....	-----	-----	-1,500

Legislation will be requested to provide for payment of \$1.5 million of the Federal administrative cost of the marketing agreements and orders program by producers and handlers.

GENERAL PROVISIONS

Sec. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed **five hundred and thirty-seven (537)** ~~six hundred and fifty-three (653)~~ passenger motor vehicles, of which four hundred and **sixty-two (462)** ~~fifty-seven (457)~~ shall be for replacement only, and for the hire of such vehicles.

Sec. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

Sec. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

Sec. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or

any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

Sec. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Sec. 506. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

Sec. 507. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein. (*Department of Agriculture and Related Agencies Appropriation Act, 1968.*)

DEPARTMENT OF AGRICULTURE

Federal Funds

AGRICULTURAL RESEARCH SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO AGRICULTURAL RESEARCH SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-18, \$27,055.....	4	4	4
GS-17, \$23,788 to \$26,960.....	7	8	8
GS-16, \$20,982 to \$26,574.....	16	17	17
GS-15, \$18,404 to \$23,921.....	280	334	347
GS-14, \$16,841 to \$20,593.....	546	622	645
GS-13, \$13,507 to \$17,557.....	1,123	1,121	1,132
GS-12, \$11,461 to \$14,899.....	1,648	1,746	1,803
GS-11, \$9,657 to \$12,555.....	1,441	1,487	1,523
GS-10, \$8,821 to \$11,467.....	4	4	4
GS-9, \$8,054 to \$10,475.....	1,460	1,562	1,603
GS-8, \$7,384 to \$9,598.....	18	18	18
GS-7, \$6,734 to \$8,759.....	1,944	2,060	2,110
GS-6, \$6,137 to \$7,982.....	240	250	250
GS-5, \$5,565 to \$7,239.....	1,998	2,079	2,143
GS-4, \$4,995 to \$6,489.....	1,316	1,387	1,414
GS-3, \$4,466 to \$5,807.....	886	905	905
GS-2, \$4,108 to \$5,341.....	159	151	151
GS-1, \$3,776 to \$4,910.....	17	17	17
Rates established by act of June 20, 1958 (5 U.S.C. 1161(c)).....	13	15	15
Salaries established under the act of Apr. 24, 1948 (21 U.S.C. 113a).....	4	5	5
Grades established under the foreign national pay plan:			
Mexico:			
FS-2, \$5,486 to \$6,816.....	1	1	1
FS-4, \$3,564 to \$4,433.....	-----	1	1
FS-5, \$3,047 to \$3,792.....	2	2	2
FS-6, \$2,308 to \$2,875.....	6	6	5
FS-7, \$1,827 to \$2,280.....	18	18	18
FS-8, \$1,591 to \$1,986.....	3	3	3
FS-9, \$1,347 to \$1,695.....	7	7	7
FS-10, \$1,148 to \$1,437.....	7	7	7
Italy:			
FS-6, \$3,148 to \$3,798.....	1	1	1
France:			
FS-4, \$4,508 to \$5,850.....	1	1	1
FS-5, \$4,125 to \$5,468.....	2	2	2
FS-8, \$3,037 to \$4,122.....	1	1	1
FS-9, \$2,708 to \$3,771.....	1	-----	-----
FS-10, \$2,403 to \$3,388.....	-----	1	1
FS-11, \$2,208 to \$3,036.....	-----	1	1
Grades established under the Alaska pay plan:			
AD-14, \$20,975 to \$27,005.....	1	1	1
AD-13, \$17,735 to \$23,225.....	2	2	2
AD-12, \$16,000 to \$19,860.....	8	7	7
AD-11, \$12,595 to \$16,045.....	2	1	1
AD-5, \$7,280 to \$9,440.....	2	2	2
AD-4, \$6,565 to \$8,265.....	2	2	2
Grades established by the Director, Agency for International Development, pursuant to Public Law 665:			
FC-2, \$20,956 to \$27,055.....	1	1	1
FC-3, \$18,278 to \$24,336.....	1	4	4
FC-4, \$15,767 to \$20,494.....	9	10	10
FC-5, \$13,507 to \$17,557.....	15	16	16
FC-6, \$11,491 to \$14,857.....	7	9	9
FC-7, \$9,576 to \$12,604.....	3	2	2
FC-9, \$8,026 to \$10,503.....	2	2	2
FC-11, \$6,737 to \$8,745.....	1	2	2
FC-13, \$5,575 to \$7,249.....	1	2	2
Ungraded positions at annual rates:			
\$15,841 and above.....	3	3	3
Less than \$15,841.....	232	233	233
Ungraded positions at hourly rates equivalent to less than \$15,841.....	2,428	2,458	2,486
Total.....	15,894	16,601	16,951

HIGHER LEVEL POSITIONS

Executive level V, \$28,000:			
Administrator.....	1	1	1

HIGHER LEVEL POSITIONS—con.

	1967 actual	1968 est.	1969 est.
GS-18, \$27,055:			
Deputy administrator, farm research.....	1	1	1
Deputy administrator, nutrition, consumer and industrial use research.....	1	1	1
Deputy administrator, regulatory.....	1	1	1
Director, research program development and evaluation staff.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Assistant deputy administrator, farm research.....	1	1	1
Assistant deputy administrator, nutrition, consumer and industrial use research.....	1	1	1
Assistant deputy administrator, regulatory.....	1	1	1
Associate director, research program development and evaluation staff.....	1	1	1
Deputy administrator, administrative management.....	1	1	1
Director, regulatory division.....	-----	2	2
Director, research division.....	2	2	2
GS-16, \$20,982 to \$26,574:			
Agronomist.....	1	1	1
Assistant to deputy administrator, farm research.....	1	1	1
Associate director, regulatory division.....	-----	1	1
Associate director, research division.....	1	1	1
Biologist.....	1	1	1
Chief, research laboratory.....	3	3	3
Director, current research information system.....	1	1	1
Director, product and process evaluation staff.....	1	1	1
Director, regulatory division.....	4	4	4
Director, research division.....	1	1	1
Geneticist.....	1	1	1
Plant physiologist.....	1	1	1
Rates established by act of June 20, 1958 (5 U.S.C. 1161(c)):			
Associate administrator.....	1	1	1
Assistant to administrator.....	1	1	1
Assistant deputy administrator, nutrition, consumer and industrial use research.....	1	1	1
Chief scientist.....	1	1	1
Deputy administrator, marketing research.....	-----	1	1
Director, research division.....	9	10	10
Salaries established under the act of Apr. 24, 1948 (21 U.S.C. 113a):			
Chief scientist.....	1	2	2
Director, research division.....	1	1	1
Director, research laboratory.....	2	2	2
Grades established by the Director, Agency for International Development, pursuant to Public Law 665:			
FC-2, \$20,956 to \$27,055:			
Agronomy adviser.....	1	1	1

COOPERATIVE STATE RESEARCH SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO COOPERATIVE STATE RESEARCH SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Special positions at rates equal to or in excess of \$27,055.....	1		1
GS-17, \$23,788 to \$26,960.....	1		1

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES—con.			
GS-16, \$20,982 to \$26,574.....	3	3	3
GS-15, \$18,404 to \$23,921.....	12	18	20
GS-14, \$16,841 to \$20,593.....	21	25	26
GS-13, \$13,507 to \$17,557.....	5	1	2
GS-12, \$11,461 to \$14,899.....	-----	1	-----
GS-11, \$9,657 to \$12,555.....	1	1	1
GS-9, \$8,054 to \$10,475.....	3	4	4
GS-8, \$7,384 to \$9,598.....	1	1	1
GS-7, \$6,734 to \$8,759.....	9	9	9
GS-6, \$6,137 to \$7,982.....	6	6	6
GS-5, \$5,565 to \$7,239.....	22	30	30
GS-4, \$4,995 to \$6,489.....	7	4	4
GS-3, \$4,466 to \$5,807.....	3	2	2
GS-2, \$4,108 to \$5,341.....	3	2	2
Grades established by the Director, Agency for International Development:			
FC-2, \$20,956 to \$27,055.....	-----	2	2
FC-3, \$18,278 to \$24,336.....	1	5	5
FC-4, \$15,767 to \$20,494.....	1	1	1
Total.....	100	117	120

HIGHER LEVEL POSITIONS

Special positions at rates equal to or in excess of \$27,055:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Associate administrator.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant administrator.....	3	3	3
FC-2, \$20,956 to \$27,055:			
Agricultural policy adviser.....	-----	1	1
Extension adviser.....	-----	1	1

EXTENSION SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE EXTENSION SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	3	3	3
GS-15, \$18,404 to \$23,921.....	16	16	16
GS-14, \$16,841 to \$20,593.....	45	47	47
GS-13, \$13,507 to \$17,557.....	33	31	31
GS-12, \$11,461 to \$14,899.....	10	10	10
GS-11, \$9,657 to \$12,555.....	4	5	5
GS-9, \$8,054 to \$10,475.....	11	12	12
GS-8, \$7,384 to \$9,598.....	6	7	7
GS-7, \$6,734 to \$8,759.....	27	24	24
GS-6, \$6,137 to \$7,982.....	25	25	25
GS-5, \$5,565 to \$7,239.....	43	44	44
GS-4, \$4,995 to \$6,489.....	15	14	15
GS-3, \$4,466 to \$5,807.....	10	9	9
GS-2, \$4,108 to \$5,341.....	7	7	7
GS-1, \$3,776 to \$4,910.....	2	2	2
Grades established by the Agency for International Development comparable to GS grades:			
FC-3, \$18,278 to \$24,336.....	1	1	1
FC-4, \$15,767 to \$20,494.....	2	5	5
FC-5, \$13,507 to \$17,557.....	7	9	9
FC-6, \$11,491 to \$14,857.....	16	53	53
FC-7, \$9,576 to \$12,604.....	9	9	9
FC-8, \$8,779 to \$11,430.....	6	3	3
Ungraded.....	2	2	2
Total.....	302	340	341

HIGHER LEVEL POSITIONS

GS-18, \$27,055:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Deputy administrator.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant administrator.....	3	3	3

DEPARTMENT OF AGRICULTURE—Continued

Federal Funds—Continued

FARMER COOPERATIVE SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO FARMER COOPERATIVE SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	5	10	15
GS-14, \$15,841 to \$20,593.....	7	9	15
GS-13, \$13,507 to \$17,557.....	17	15	19
GS-12, \$11,461 to \$14,899.....	16	16	17
GS-11, \$9,657 to \$12,555.....	7	6	10
GS-9, \$8,054 to \$10,475.....	6	6	10
GS-8, \$7,384 to \$9,598.....	3	3	3
GS-7, \$6,734 to \$8,759.....	2	2	4
GS-6, \$6,137 to \$7,982.....	6	6	8
GS-5, \$5,565 to \$7,239.....	9	10	15
GS-4, \$4,995 to \$6,489.....	15	12	16
GS-3, \$4,466 to \$5,807.....	4	7	10
GS-2, \$4,108 to \$5,341.....	1	1	1
Grades established by the Director, Agency for Inter- national Development:			
FC-3, \$18,278 to \$24,336.....	2	2	2
FC-4, \$15,757 to \$20,494.....	1	3	3
FC-5, \$13,507 to \$17,557.....	3	3	5
Total.....	105	112	154

HIGHER LEVEL POSITIONS

GS-16, \$20,982 to \$26,574:			
Administrator.....	1	1	1

SOIL CONSERVATION SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE SOIL CONSERVATION SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	3	3	3
GS-16, \$20,982 to \$26,574.....	6	6	6
GS-15, \$18,404 to \$23,921.....	43	65	75
GS-14, \$15,841 to \$20,593.....	114	119	131
GS-13, \$13,507 to \$17,557.....	409	474	462
GS-12, \$11,461 to \$14,899.....	966	987	980
GS-11, \$9,657 to \$12,555.....	2,858	2,995	2,942
GS-10, \$8,821 to \$11,467.....	5	4	4
GS-9, \$8,054 to \$10,475.....	2,904	2,895	2,810
GS-8, \$7,384 to \$9,598.....	9	11	9
GS-7, \$6,734 to \$8,759.....	1,875	1,956	1,873
GS-6, \$6,137 to \$7,982.....	2,489	2,494	2,419
GS-5, \$5,565 to \$7,239.....	1,935	1,891	1,811
GS-4, \$4,995 to \$6,489.....	1,278	1,267	1,201
GS-3, \$4,466 to \$5,807.....	806	776	666
GS-2, \$4,108 to \$5,341.....	161	127	113
GS-1, \$3,776 to \$4,910.....	5	2	2
Grades established by the Ad- ministrator, Agency for Inter- national Development (75 Stat. 450):			
FC-2, \$20,956 to \$27,055.....	-----	1	1
FC-3, \$18,278 to \$24,336.....	2	2	10
FC-4, \$15,757 to \$20,494.....	8	13	11
FC-5, \$13,507 to \$17,557.....	11	20	27
FC-6, \$11,491 to \$14,857.....	8	16	9
FC-7, \$9,576 to \$12,604.....	1	1	-----
Ungraded.....	191	174	162
Total.....	16,149	16,301	15,738

HIGHER LEVEL POSITIONS

Executive level V, \$28,000:			
Administrator.....	1	1	1
GS-18, \$27,055:			
Associate administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Deputy administrator, field service group.....	1	1	1
Deputy administrator, soil survey group.....	1	1	1
Deputy administrator, water- sheds.....	1	1	1

HIGHER LEVEL POSITIONS—con.

GS-16, \$20,982 to \$26,574:			
Assistant to deputy adminis- trator, watersheds.....	2	2	2
Deputy administrator, man- agement group.....	1	1	1
Director, engineering division	1	1	1
Director, plant science divi- sion.....	1	1	1
Director, resource develop- ment division.....	1	1	1
Grades established by the Ad- ministrator, Agency for In- ternational Development (75 Stat. 450):			
FC-2, \$20,956 to \$27,055:			
Engineer, civil.....	-----	1	1

ECONOMIC RESEARCH SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE ECONOMIC RESEARCH SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	3	2	2
GS-16, \$20,982 to \$26,574.....	8	8	8
GS-15, \$18,404 to \$23,921.....	42	52	56
GS-14, \$15,841 to \$20,593.....	94	116	144
GS-13, \$13,507 to \$17,557.....	173	178	171
GS-12, \$11,461 to \$14,899.....	180	187	191
GS-11, \$9,657 to \$12,555.....	126	127	129
GS-9, \$8,054 to \$10,475.....	92	98	102
GS-8, \$7,384 to \$9,598.....	6	9	9
GS-7, \$6,734 to \$8,759.....	117	93	91
GS-6, \$6,137 to \$7,982.....	90	87	87
GS-5, \$5,565 to \$7,239.....	162	171	178
GS-4, \$4,995 to \$6,489.....	115	119	125
GS-3, \$4,466 to \$5,807.....	79	72	79
GS-2, \$4,108 to \$5,341.....	46	32	32
GS-1, \$3,776 to \$4,910.....	-----	1	1
Grades established by the Di- rector, Agency for Interna- tional Development:			
FC-3, \$18,278 to \$24,336.....	6	8	7
FC-4, \$15,757 to \$20,494.....	5	9	3
FC-5, \$13,507 to \$17,557.....	2	1	-----
FC-6, \$11,491 to \$14,857.....	1	-----	-----
Ungraded.....	5	6	6
Total.....	1,353	1,377	1,422

HIGHER LEVEL POSITIONS

GS-18, \$27,055:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Agricultural economist.....	1	-----	-----
Deputy administrator.....	2	2	2
GS-16, \$20,982 to \$26,574:			
Division director.....	7	7	7
Outlook officer.....	1	1	1

STATISTICAL REPORTING SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO STATISTICAL REPORTING SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	4	4	4
GS-15, \$18,404 to \$23,921.....	15	21	24
GS-14, \$15,841 to \$20,593.....	41	48	62
GS-13, \$13,507 to \$17,557.....	89	87	82
GS-12, \$11,461 to \$14,899.....	115	108	103
GS-11, \$9,657 to \$12,555.....	106	107	108

GRADES AND RANGES—con.

	1967 actual	1968 est.	1969 est.
GS-9, \$8,054 to \$10,475.....	121	129	130
GS-8, \$7,384 to \$9,598.....	8	8	8
GS-7, \$6,734 to \$8,759.....	138	140	142
GS-6, \$6,137 to \$7,982.....	24	27	27
GS-5, \$5,565 to \$7,239.....	187	198	200
GS-4, \$4,995 to \$6,489.....	240	250	251
GS-3, \$4,466 to \$5,807.....	226	216	216
GS-2, \$4,108 to \$5,341.....	59	59	59
GS-1, \$3,776 to \$4,910.....	1	1	1
Grades established by the Director, Agency for Inter- national Development:			
FC-3, \$18,278 to \$24,336.....	1	1	1
FC-4, \$15,757 to \$20,494.....	1	2	2
Ungraded.....	4	4	4
Total.....	1,382	1,412	1,426

HIGHER LEVEL POSITIONS

GS-18, \$27,055:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Deputy administrator.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Agricultural economist.....	1	1	1
Assistant administrator.....	1	1	1
Division director.....	2	2	2

CONSUMER AND MARKETING SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO CONSUMER AND MARKETING SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	4	4	4
GS-16, \$20,982 to \$26,574.....	13	14	14
GS-15, \$18,404 to \$23,921.....	56	70	73
GS-14, \$15,841 to \$20,593.....	145	161	207
GS-13, \$13,507 to \$17,557.....	446	475	533
GS-12, \$11,461 to \$14,899.....	814	833	897
GS-11, \$9,657 to \$12,555.....	1,461	1,480	1,799
GS-10, \$8,821 to \$11,467.....	-----	1	1
GS-9, \$8,054 to \$10,475.....	2,238	2,327	2,703
GS-8, \$7,384 to \$9,598.....	683	718	860
GS-7, \$6,734 to \$8,759.....	3,481	3,980	4,478
GS-6, \$6,137 to \$7,982.....	131	136	137
GS-5, \$5,565 to \$7,239.....	1,471	1,571	1,625
GS-4, \$4,995 to \$6,489.....	963	947	1,023
GS-3, \$4,466 to \$5,807.....	488	438	449
GS-2, \$4,108 to \$5,341.....	87	56	56
GS-1, \$3,776 to \$4,910.....	5	8	8
Grades established by the Ad- ministrator, Agency for In- ternational Development:			
FC-3, \$18,278 to \$24,336.....	1	1	1
FC-4, \$15,757 to \$20,494.....	2	1	1
Ungraded.....	653	692	737
Total.....	13,144	13,915	15,608

HIGHER LEVEL POSITIONS

Executive level V, \$28,000:			
Administrator.....	1	1	1
GS-18, \$27,055:			
Associate administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Deputy administrator, con- sumer food program.....	1	1	1
Assistant deputy adminis- trator, consumer protection...	-----	1	1
Deputy administrator, con- sumer protection.....	1	1	1
Deputy administrator, mar- keting services.....	1	1	1
Deputy administrator, regu- latory programs.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant deputy adminis- trator, consumer food programs	1	1	1
Assistant deputy adminis- trator, regulatory programs...	1	1	1
Deputy administrator, man- agement.....	1	1	1
Division director.....	10	10	10

DEPARTMENT OF AGRICULTURE—Continued

Federal Funds—Continued

FOREIGN AGRICULTURAL SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE FOREIGN AGRICULTURAL SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	4	4	4
GS-16, \$20,982 to \$26,574.....	14	14	14
GS-15, \$18,404 to \$23,921.....	67	67	67
GS-14, \$15,841 to \$20,593.....	106	119	129
GS-13, \$13,507 to \$17,557.....	89	90	90
GS-12, \$11,461 to \$14,899.....	57	60	60
GS-11, \$9,657 to \$12,555.....	36	38	44
GS-10, \$8,821 to \$11,467.....	1	1	1
GS-9, \$8,054 to \$10,475.....	47	49	49
GS-8, \$7,384 to \$9,598.....	16	16	16
GS-7, \$6,734 to \$8,759.....	96	97	97
GS-6, \$6,137 to \$7,982.....	98	100	108
GS-5, \$5,565 to \$7,239.....	86	89	89
GS-4, \$4,995 to \$6,489.....	43	47	47
GS-3, \$4,466 to \$5,807.....	24	29	29
GS-2, \$4,108 to \$5,341.....	11	12	12
Ungraded.....	157	159	174
Total.....	954	993	1,032
HIGHER LEVEL POSITIONS			
Executive level V, \$28,000:			
Administrator.....	1	1	1
GS-18, \$27,055:			
Associate administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Agricultural attaché.....	3	3	3
General sales manager.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Agricultural attaché.....	6	6	6
Assistant administrator.....	5	5	5
Barter and stockpiling manager.....	1	1	1
Deputy general sales manager.....	1	1	1
Foreign agricultural affairs officer.....	1	1	1

INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	7	8	8
GS-14, \$15,841 to \$20,593.....	10	11	11
GS-13, \$13,507 to \$17,557.....	13	14	14
GS-12, \$11,461 to \$14,899.....	4	5	5
GS-11, \$9,657 to \$12,555.....	1	2	3
GS-10, \$8,821 to \$11,467.....	1	1	1
GS-9, \$8,054 to \$10,475.....	2	7	7
GS-8, \$7,384 to \$9,598.....	1	1	1
GS-7, \$6,734 to \$8,759.....	8	9	9
GS-6, \$6,137 to \$7,982.....	14	15	16
GS-5, \$5,565 to \$7,239.....	15	19	19
GS-4, \$4,995 to \$6,489.....	8	11	11
GS-3, \$4,466 to \$5,807.....	6	4	4
GS-2, \$4,108 to \$5,341.....	-----	2	2
Grades established by the Administrator, Agency for International Development:			
FC-1, \$23,660 to \$27,055.....	1	1	1
FC-2, \$20,956 to \$27,055.....	2	2	2
FC-3, \$18,278 to \$24,336.....	1	1	1
FC-4, \$15,757 to \$20,494.....	-----	1	2
FC-5, \$13,507 to \$17,557.....	-----	1	1
FC-9, \$8,026 to \$10,503.....	-----	1	1
FC-12, \$6,133 to \$7,961.....	-----	1	1
Total.....	97	120	123
HIGHER LEVEL POSITIONS			
GS-18, \$27,055:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Research chemist.....	1	1	1

HIGHER LEVEL POSITIONS—con.

	1967 actual	1968 est.	1969 est.
GS-16, \$20,982 to \$26,574:			
Deputy administrator.....	1	1	1
FC-1, \$23,660 to \$27,055:			
USDA Coordinator.....	1	1	1
FC-2, \$20,956 to \$27,055:			
Project leader.....	1	1	1
Chief of party.....	1	1	1

COMMODITY EXCHANGE AUTHORITY

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE COMMODITY EXCHANGE AUTHORITY

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	5	5	5
GS-14, \$15,841 to \$20,593.....	6	6	6
GS-13, \$13,507 to \$17,557.....	9	10	10
GS-12, \$11,461 to \$14,899.....	11	10	10
GS-11, \$9,657 to \$12,555.....	8	8	8
GS-9, \$8,054 to \$10,475.....	14	18	15
GS-8, \$7,384 to \$9,598.....	1	1	1
GS-7, \$6,734 to \$8,759.....	20	26	31
GS-6, \$6,137 to \$7,982.....	10	10	10
GS-5, \$5,565 to \$7,239.....	20	17	17
GS-4, \$4,995 to \$6,489.....	26	24	24
GS-3, \$4,466 to \$5,807.....	5	8	8
GS-2, \$4,108 to \$5,341.....	3	3	3
Total.....	140	148	153
HIGHER LEVEL POSITIONS			
GS-17, \$23,788 to \$26,960:			
Administrator.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Deputy administrator.....	1	1	1

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-18, \$27,055.....	3	3	3
GS-17, \$23,788 to \$26,960.....	3	3	3
GS-16, \$20,982 to \$26,574.....	21	21	21
GS-15, \$18,404 to \$23,921.....	67	81	81
GS-14, \$15,841 to \$20,593.....	172	185	185
GS-13, \$13,507 to \$17,557.....	305	313	307
GS-12, \$11,461 to \$14,899.....	503	585	579
GS-11, \$9,657 to \$12,555.....	529	517	509
GS-10, \$8,821 to \$11,467.....	1	1	1
GS-9, \$8,054 to \$10,475.....	374	395	289
GS-8, \$7,384 to \$9,598.....	37	37	37
GS-7, \$6,734 to \$8,759.....	350	343	340
GS-6, \$6,137 to \$7,982.....	161	161	161
GS-5, \$5,565 to \$7,239.....	603	603	593
GS-4, \$4,995 to \$6,489.....	828	815	801
GS-3, \$4,466 to \$5,807.....	518	518	505
GS-2, \$4,108 to \$5,341.....	74	74	74
GS-1, \$3,776 to \$4,910.....	3	3	3
Grades established by Agency for International Development:			
FC-2, \$20,956 to \$27,055.....	1	-----	-----
FC-3, \$18,278 to \$24,336.....	4	5	8
FC-4, \$15,757 to \$20,494.....	1	1	2
FC-5, \$13,507 to \$17,557.....	1	1	-----
Ungraded positions at annual rates less than \$15,841.....	62	64	64
Total.....	4,622	4,640	4,567

HIGHER LEVEL POSITIONS

	1967 actual	1968 est.	1969 est.
Executive level V, \$28,000:			
Administrator.....	1	1	1
GS-18, \$27,055:			
Associate administrator.....	1	1	1
Deputy administrator.....	2	2	2
GS-17, \$23,788 to \$26,960:			
Assistant to administrator.....	1	1	1
Confidential assistant.....	1	1	1
Deputy administrator.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant deputy administrator.....	4	4	4
Assistant to president, Commodity Credit Corporation.....	1	1	1
Director.....	16	16	16

FEDERAL CROP INSURANCE CORPORATION

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE FEDERAL CROP INSURANCE CORPORATION

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Grades established by act of Aug. 14, 1964, Public Law 88-426, at rates equivalent to \$27,055.....	1	1	1
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	12	12	12
GS-14, \$15,841 to \$20,593.....	10	12	12
GS-13, \$13,507 to \$17,557.....	50	51	53
GS-12, \$11,461 to \$14,899.....	14	26	24
GS-11, \$9,657 to \$12,555.....	104	100	106
GS-9, \$8,054 to \$10,475.....	36	38	35
GS-8, \$7,384 to \$9,598.....	3	5	5
GS-7, \$6,734 to \$8,759.....	70	63	72
GS-6, \$6,137 to \$7,982.....	25	29	31
GS-5, \$5,565 to \$7,239.....	75	78	70
GS-4, \$4,995 to \$6,489.....	77	78	229
GS-3, \$4,466 to \$5,807.....	188	206	46
GS-2, \$4,108 to \$5,341.....	19	3	2
GS-1, \$3,776 to \$4,910.....	1	1	1
Total.....	686	704	700
HIGHER LEVEL POSITIONS			
Grades established by act of Aug. 14, 1964, Public Law 88-426, \$27,055:			
Manager.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Deputy manager.....	1	1	1

RURAL ELECTRIFICATION ADMINISTRATION

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE RURAL ELECTRIFICATION ADMINISTRATION

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	5	5	5
GS-15, \$18,404 to \$23,921.....	29	30	30
GS-14, \$15,841 to \$20,593.....	81	84	84
GS-13, \$13,507 to \$17,557.....	188	193	193
GS-12, \$11,461 to \$14,899.....	246	246	246
GS-11, \$9,657 to \$12,555.....	85	85	85
GS-9, \$8,054 to \$10,475.....	42	42	42
GS-8, \$7,384 to \$9,598.....	5	5	5
GS-7, \$6,734 to \$8,759.....	69	69	69
GS-6, \$6,137 to \$7,982.....	84	84	84
GS-5, \$5,565 to \$7,239.....	80	80	80
GS-4, \$4,995 to \$6,489.....	32	32	32

DEPARTMENT OF AGRICULTURE—Continued

Federal Funds—Continued

RURAL ELECTRIFICATION
ADMINISTRATION—Con.CONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE RURAL ELECTRIFICATION AD-
MINISTRATION—Continued

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES—CON.			
GS-3, \$4,466 to \$5,807.....	55	55	55
GS-2, \$4,108 to \$5,341.....	9	9	9
GS-1, \$3,776 to \$4,910.....	1	1	1
Ungraded.....	2	2	2
Total.....	1,015	1,024	1,024
HIGHER LEVEL POSITIONS			
Executive level V, \$28,000:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Deputy administrator.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant administrator.....	3	3	3
Deputy administrator.....	1	1	1
Director of division.....	1	1	1

FARMERS HOME ADMINISTRATION

CONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE FARMERS HOME ADMINISTRATION

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$26,000.....	1	1	1
GS-18, \$27,055.....	1	1	1
GS-16, \$20,982 to \$26,574.....	7	7	7
GS-15, \$18,404 to \$23,921.....	27	35	36
GS-14, \$15,841 to \$20,593.....	74	80	80
GS-13, \$13,507 to \$17,557.....	110	154	165
GS-12, \$11,461 to \$14,899.....	319	380	390
GS-11, \$9,657 to \$12,555.....	801	1,093	1,121
GS-9, \$8,054 to \$10,475.....	1,637	1,436	1,427
GS-8, \$7,384 to \$9,598.....	1	1	1
GS-7, \$6,734 to \$8,759.....	844	994	950
GS-6, \$6,137 to \$7,982.....	79	79	79
GS-5, \$5,565 to \$7,239.....	307	295	350
GS-4, \$4,995 to \$6,489.....	1,826	1,940	1,987
GS-3, \$4,466 to \$5,807.....	737	787	675
GS-2, \$4,108 to \$5,341.....	117	88	80
GS-1, \$3,776 to \$4,910.....	2	2	2
Grades established by the Director, Agency for Inter- national Development:			
FC-2, \$20,956 to \$27,055.....	-----	1	1
FC-3, \$18,278 to \$24,336.....	1	5	5
FC-4, \$15,757 to \$20,494.....	7	19	19
FC-5, \$13,507 to \$17,557.....	13	10	15
FC-6, \$11,491 to \$14,857.....	7	7	7
FC-7, \$9,576 to \$12,604.....	3	3	3
Ungraded.....	7	7	7
Total.....	6,928	7,425	7,409
HIGHER LEVEL POSITIONS			
Executive level V, \$26,000:			
Administrator, Farmers Home Administration.....	1	1	1
GS-18, \$27,055:			
Deputy administrator, Farm- ers Home Administration.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant administrator, Farmers Home Adminis- tration.....	6	6	6
Director of division.....	1	1	1
FC-2, \$20,956 to \$27,055:			
Agriculture credit adviser.....	-----	1	1

RURAL COMMUNITY DEVELOP-
MENT SERVICECONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE RURAL COMMUNITY DEVELOP-
MENT SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-15, \$18,404 to \$23,921.....	11	10	10
GS-13, \$13,507 to \$17,557.....	1	1	-----
GS-12, \$11,461 to \$14,899.....	1	2	2
GS-10, \$8,821 to \$11,467.....	-----	1	1
GS-9, \$8,054 to \$10,475.....	2	1	1
GS-8, \$7,384 to \$9,598.....	1	2	2
GS-7, \$6,734 to \$8,759.....	10	9	9
GS-6, \$6,137 to \$7,982.....	1	1	1
Total.....	29	29	28
HIGHER LEVEL POSITIONS			
GS-18, \$27,055:			
Administrator.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Deputy administrator.....	1	1	1

OFFICE OF THE INSPECTOR
GENERALCONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE OFFICE OF THE INSPECTOR
GENERAL

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-18, \$27,055.....	1	1	1
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	19	22	22
GS-14, \$15,841 to \$20,593.....	40	43	60
GS-13, \$13,507 to \$17,557.....	123	150	146
GS-12, \$11,461 to \$14,899.....	147	196	202
GS-11, \$9,657 to \$12,555.....	229	192	205
GS-10, \$8,821 to \$11,467.....	2	-----	-----
GS-9, \$8,054 to \$10,475.....	88	81	81
GS-8, \$7,384 to \$9,598.....	1	1	1
GS-7, \$6,734 to \$8,759.....	82	73	73
GS-6, \$6,137 to \$7,982.....	38	44	44
GS-5, \$5,565 to \$7,239.....	60	54	54
GS-4, \$4,995 to \$6,489.....	52	66	69
GS-3, \$4,466 to \$5,807.....	19	10	10
GS-2, \$4,108 to \$5,341.....	7	5	5
Total.....	909	939	974
HIGHER LEVEL POSITIONS			
GS-18, \$27,055:			
Inspector General.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant inspector general.....	1	1	1

PACKERS AND STOCKYARDS
ADMINISTRATIONCONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE PACKERS AND STOCKYARDS AD-
MINISTRATION

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	2	5	5

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES—CON.			
GS-14, \$15,841 to \$20,593.....	7	10	12
GS-13, \$13,507 to \$17,557.....	28	30	33
GS-12, \$11,461 to \$14,899.....	44	40	49
GS-11, \$9,657 to \$12,555.....	43	40	45
GS-9, \$8,054 to \$10,475.....	14	9	12
GS-8, \$7,384 to \$9,598.....	1	1	1
GS-7, \$6,734 to \$8,759.....	13	8	8
GS-6, \$6,137 to \$7,982.....	12	14	18
GS-5, \$5,565 to \$7,239.....	21	19	22
GS-4, \$4,995 to \$6,489.....	19	20	22
GS-3, \$4,466 to \$5,807.....	4	1	1
Total.....	209	198	229
HIGHER LEVEL POSITIONS			
GS-16, \$20,982 to \$26,574:			
Acting Administrator.....	1	1	1

OFFICE OF THE GENERAL
COUNSELCONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE OFFICE OF THE GENERAL COUNSEL

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level IV, \$28,750.....	1	1	1
GS-18, \$27,055.....	1	1	1
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	5	5	5
GS-15, \$18,404 to \$23,921.....	23	29	29
GS-14, \$15,841 to \$20,593.....	54	61	61
GS-13, \$13,507 to \$17,557.....	50	42	42
GS-12, \$11,461 to \$14,899.....	30	27	47
GS-11, \$9,657 to \$12,555.....	12	15	20
GS-9, \$8,054 to \$10,475.....	28	36	44
GS-7, \$6,734 to \$8,759.....	26	35	35
GS-6, \$6,137 to \$7,982.....	26	26	26
GS-5, \$5,565 to \$7,239.....	59	57	77
GS-4, \$4,995 to \$6,489.....	49	44	56
GS-3, \$4,466 to \$5,807.....	23	26	26
GS-2, \$4,108 to \$5,341.....	1	3	3
GS-1, \$3,776 to \$4,910.....	1	-----	-----
Total.....	390	409	474
HIGHER LEVEL POSITIONS			
Executive level IV, \$28,750:			
General Counsel.....	1	1	1
GS-18, \$27,055:			
Deputy general counsel.....	1	1	1
GS-17, \$23,788 to \$26,960:			
Assistant general counsel.....	1	1	1
GS-16, \$20,982 to \$26,574:			
Assistant general counsel.....	2	2	2
Director, legal division.....	3	3	3

OFFICE OF INFORMATION

CONSOLIDATED SCHEDULE OF PERMANENT
POSITIONS PAID FROM FUNDS AVAILABLE
TO THE OFFICE OF INFORMATION

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-17, \$23,788 to \$26,960.....	1	1	1
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	3	5	5
GS-14, \$15,841 to \$20,593.....	10	9	12
GS-13, \$13,507 to \$17,557.....	25	24	22
GS-12, \$11,461 to \$14,899.....	27	27	26
GS-11, \$9,657 to \$12,555.....	17	17	17
GS-9, \$8,054 to \$10,475.....	29	28	28
GS-7, \$6,734 to \$8,759.....	33	33	33
GS-6, \$6,137 to \$7,982.....	13	13	13
GS-5, \$5,565 to \$7,239.....	31	33	33

DEPARTMENT OF AGRICULTURE—Continued

Federal Funds—Continued

OFFICE OF INFORMATION—Con.

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE OFFICE OF INFORMATION—Con.

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES—CON.			
GS-4, \$4,995 to \$6,489.....	39	37	37
GS-3, \$4,466 to \$5,807.....	20	19	19
GS-2, \$4,108 to \$5,341.....	5	5	5
Ungraded.....	7	7	7
Total.....	261	259	259
HIGHER LEVEL POSITIONS			
GS-17, \$23,788 to \$26,960: Director of Information.....	1	1	1
GS-16, \$20,982 to \$26,574: Deputy director of informa- tion.....	1	1	1

NATIONAL AGRICULTURAL LIBRARY

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE NATIONAL AGRICULTURAL LIBRARY

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	5	6	6
GS-14, \$15,841 to \$20,593.....	9	11	11
GS-13, \$13,507 to \$17,557.....	9	15	16
GS-12, \$11,461 to \$14,899.....	34	42	42
GS-11, \$9,657 to \$12,555.....	21	21	20
GS-9, \$8,054 to \$10,475.....	12	10	10
GS-7, \$6,734 to \$8,759.....	7	10	10
GS-6, \$6,137 to \$7,982.....	27	32	32
GS-5, \$5,565 to \$7,239.....	35	37	39
GS-4, \$4,995 to \$6,489.....	32	42	40
GS-3, \$4,466 to \$5,807.....	14	5	5
GS-2, \$4,108 to \$5,341.....			
Total.....	206	233	233
HIGHER LEVEL POSITIONS			
GS-16, \$20,982 to \$26,574: Director.....	1	1	1

OFFICE OF MANAGEMENT SERVICES

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE OFFICE OF MANAGEMENT SERVICES

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
GS-16, \$20,982 to \$26,574.....	1	1	1
GS-15, \$18,404 to \$23,921.....	5	5	5
GS-14, \$15,841 to \$20,593.....	16	16	17
GS-13, \$13,507 to \$17,557.....	15	16	16
GS-12, \$11,461 to \$14,899.....	23	24	24
GS-11, \$9,657 to \$12,555.....	30	31	32
GS-9, \$8,054 to \$10,475.....	32	39	39
GS-7, \$6,734 to \$8,759.....	49	42	43
GS-6, \$6,137 to \$7,982.....	18	21	21
GS-5, \$5,565 to \$7,239.....	54	60	61
GS-4, \$4,995 to \$6,489.....	41	36	39
GS-3, \$4,466 to \$5,807.....	42	36	39
GS-2, \$4,108 to \$5,341.....	21	20	20

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES—CON.			
GS-1, \$3,776 to \$4,910.....	3	6	6
Ungraded.....	12	12	12
Total.....	362	365	375
HIGHER LEVEL POSITIONS			
GS-16, \$20,982 to \$26,574: Director.....	1	1	1

GENERAL ADMINISTRATION

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO GENERAL ADMINISTRATION

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level I, \$35,000.....	1	1	1
Executive level III, \$29,500.....	1	1	1
Executive level IV, \$28,750.....	3	3	3
Executive level V, \$28,000.....	2	3	3
GS-18, \$27,055.....	3	4	4
GS-17, \$23,788 to \$26,960.....	7	8	8
GS-16, \$20,982 to \$26,574.....	14	14	14
GS-15, \$18,404 to \$23,921.....	28	29	29
GS-14, \$15,841 to \$20,593.....	41	47	47
GS-13, \$13,507 to \$17,557.....	36	40	40
GS-12, \$11,461 to \$14,899.....	37	32	32
GS-11, \$9,657 to \$12,555.....	41	38	38
GS-10, \$8,054 to \$10,475.....	9	10	10
GS-9, \$8,054 to \$10,475.....	53	47	47
GS-8, \$7,384 to \$9,598.....	12	14	14
GS-7, \$6,734 to \$8,759.....	61	69	69
GS-6, \$6,137 to \$7,982.....	25	24	24
GS-5, \$5,565 to \$7,239.....	103	84	84
GS-4, \$4,995 to \$6,489.....	67	63	63
GS-3, \$4,466 to \$5,807.....	82	72	72
GS-2, \$4,108 to \$5,341.....	57	75	75
GS-1, \$3,776 to \$4,910.....	6	8	8
Ungraded.....	116	111	111
Total.....	805	797	797

HIGHER LEVEL POSITIONS

Executive level I, \$35,000: Secretary of Agriculture.....	1	1	1
Executive level III, \$29,500: Under secretary of Agriculture.....	1	1	1
Executive level IV, \$28,750: Assistant secretary of Agriculture.....	3	3	3
Executive level V, \$28,000: Assistant secretary for administration.....	1	1	1
Director of agricultural economics.....	1	1	1
Director, science and education.....		1	1
GS-18, \$27,055: Confidential assistant to the Secretary.....	1	1	1
Confidential assistant to the under secretary.....		1	1
Deputy assistant secretary.....	1	1	1
Executive assistant, chief of staff.....	1	1	1
GS-17, \$23,788 to \$26,960: Assistant to the Secretary.....	1	1	1
Deputy assistant secretary.....	1	1	1
Director of finance and budget officer.....	1	1	1
Director, management improvement.....	1	1	1
Director of personnel.....	1	1	1
Director, planning, evaluation and programing staff.....		1	1
Director of plant and operations.....	1	1	1
Judicial officer.....	1	1	1
GS-16, \$20,982 to \$26,574: Assistant to the Secretary.....	2	2	2
Assistant director, management improvement.....	1	1	1
Confidential assistant to the Secretary.....	1	1	1
Deputy assistant secretary.....	2	2	2

	1967 actual	1968 est.	1969 est.
HIGHER LEVEL POSITIONS—CON.			
GS-16, \$20,982 to \$26,574—Con. Deputy director, budget and finance.....	1	1	1
Deputy director of personnel.....	1	1	1
Deputy director, planning, evaluation and programing staff.....		1	1
Director, planning, evaluation and programing staff.....	1		
Hearing examiner.....	5	5	5

FOREST SERVICE

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE FOREST SERVICE

	1967 actual	1968 est.	1969 est.
GRADES AND RANGES			
Executive level V, \$28,000.....	1	1	1
GS-18, \$27,055.....	3	3	3
GS-17, \$23,788 to \$26,960.....	6	6	6
GS-16, \$20,982 to \$26,574.....	19	19	19
GS-15, \$18,404 to \$23,921.....	98	119	128
GS-14, \$15,841 to \$20,593.....	367	405	418
GS-13, \$13,507 to \$17,557.....	838	844	831
GS-12, \$11,461 to \$14,899.....	1,799	1,806	1,777
GS-11, \$9,657 to \$12,555.....	2,798	2,754	2,700
GS-10, \$8,054 to \$10,475.....	19	23	23
GS-9, \$8,054 to \$10,475.....	3,545	3,455	3,375
GS-8, \$7,384 to \$9,598.....	41	47	46
GS-7, \$6,734 to \$8,759.....	3,826	3,726	3,666
GS-6, \$6,137 to \$7,982.....	444	446	438
GS-5, \$5,565 to \$7,239.....	3,396	3,282	3,228
GS-4, \$4,995 to \$6,489.....	2,792	2,694	2,651
GS-3, \$4,466 to \$5,807.....	1,777	1,709	1,682
GS-2, \$4,108 to \$5,341.....	360	343	343
GS-1, \$3,776 to \$4,910.....	19	23	23
Grades established by Act of June 20, 1958 (72 Stat. 213) and Act of September 23, 1959 (73 Stat. 651):			
\$24,477.....	3	3	3
\$22,380.....	1	1	1
Public administration adviser grades established by the Administrator, Agency for International Development:			
FC-2, \$20,956 to \$27,055.....	1	1	1
FC-4, \$15,757 to \$20,494.....	2	2	2
FC-5, \$13,507 to \$17,557.....	1	1	1
FC-6, \$11,491 to \$14,857.....	1	1	1
FC-7, \$9,576 to \$12,604.....	1	1	1
FC-8, \$8,779 to \$11,430.....	1	1	1
Ungraded.....	1,764	1,736	1,708
Total.....	23,923	23,457	23,077

HIGHER LEVEL POSITIONS

Executive level V, \$28,000: Chief.....	1	1	1
GS-18, \$27,055: Associate chief.....	1	1	1
Deputy chief.....	2	2	2
GS-17, \$23,788 to \$26,960: Associate deputy chief.....	3	3	3
Deputy chief.....	3	3	3
GS-16, \$20,982 to \$26,574: Associate deputy chief.....	1	1	1
Chemical engineer.....	1	1	1
Director, S&P area.....	2	2	2
Division director.....	7	7	7
Regional forester.....	8	8	8
Grades established by Act of June 20, 1958 (72 Stat. 213) and Act of September 23, 1959 (73 Stat. 651), \$24,477:			
Director, forest products laboratory.....	1	1	1
Physical chemist.....	1	1	1
Research forester.....	1	1	1
Forest products technologist, \$22,380.....	1	1	1
Public administration adviser grades established by the Administrator, Agency for International Development:			
FC-2, \$20,956 to \$27,055.....	1	1	1



